

November 13, 2019

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: 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 Consolidated Financial Results of the Company for the quarter/year ended March 31, 2019 along with Auditors Report;
2. Unaudited Consolidated Financial Results of the Company for the quarter ended June 30, 2019 along with Limited Review Report and
3. Unaudited Financial Results (Standalone & Consolidated) of the Company for the quarter ended September 30, 2019 along with Limited Review Report.

The meeting of the Board of Directors was commenced at 2.00 P.M. and concluded at 11:59 P. M.

Please acknowledge.

Thanking you,

Yours faithfully,

For **Mercator Limited**



Rajendra Kothari
CFO & Compliance Officer



Encl: as above

Mercator Limited
CIN NO : L63090MH1983PLCO31418

Regd. Office: 83-87, 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
	Audited	Unaudited	Audited	Audited	Audited
1 Income					
(a) Revenue from operations	176.10	266.94	183.08	867.35	932.02
(b) Other income	1.68	160.72	23.76	166.87	36.47
Total Income	177.78	427.66	206.84	1,034.22	968.49
2 Expenses					
(a) Cost of services rendered	161.34	206.80	94.49	618.88	643.45
(b) Employee benefits expense	11.44	11.19	12.00	41.64	30.10
(c) Finance costs	42.17	32.47	41.14	153.70	144.10
(d) Depreciation and amortisation	54.95	40.56	20.61	176.75	154.44
(d) Impairment Losses	53.45	-	-	53.45	-
(e) Other expenses	73.22	297.80	67.10	392.88	167.99
Total expenses	396.57	588.82	235.34	1,437.30	1,140.08
3 Profit/(loss) from operations before exceptional items and tax (1-2)	(218.79)	(161.16)	(28.50)	(403.08)	(171.59)
4 Exceptional items	(97.16)		-	(108.89)	-
5 Profit/(loss) before tax from Continuing Operations (3 - 4)	(315.95)	(161.16)	(28.50)	(511.97)	(171.59)
6 Tax expense					
Current tax (including earlier year adjustment)	(7.33)	(10.16)	(39.77)	(33.24)	(58.12)
Deferred tax (net)	0.87	1.61	(2.12)	0.76	(2.12)
7 Net profit/(loss) after tax from Continuing Operations (5 - 6)	(322.41)	(169.71)	(70.39)	(544.45)	(231.83)
Discontinued Operation					
Net profit/(loss) before tax from discontinued Operation	(27.89)	(280.06)	(14.75)	(334.67)	(45.73)
Tax (expenses) / benefit of discontinued operation	-	-	-	-	-
8 Net profit/(loss) after tax from Discontinued Operation	(27.89)	(280.06)	(14.75)	(334.67)	(45.73)
9 Net profit/(loss) after tax	(350.30)	(449.77)	(85.14)	(879.12)	(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)	(350.29)	(449.87)	(83.81)	(879.17)	(276.07)
12 Profit/(Loss) attributable to for the period (net of tax)					
Owners of the company	(380.92)	(427.35)	(92.35)	(908.63)	(295.28)
Non controlling interest	30.64	(22.42)	7.21	29.52	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	(380.91)	(427.45)	(91.02)	(908.68)	(294.04)
Non controlling interest	30.64	(22.42)	7.21	29.52	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	(11.67)	(4.87)	(2.73)	(18.98)	(8.91)
17 Basic and Diluted earnings per equity share from discontinued operation	(0.92)	(9.26)	(0.49)	(11.07)	(1.51)
18 Basic and Diluted earnings per equity share from continuing and discontinued operation	(12.59)	(14.13)	(3.22)	(30.04)	(10.42)
19 Debenture Redemption Reserve				25.00	25.00
20 Capital Redemption Reserve				40.00	40.00
21 Net Worth				(187.20)	838.80
22 Debt equity ratio				49.55	1.81
23 Debt service coverage ratio (DSCR)				0.57	1.01
24 Interest service coverage ratio (ISCR)				0.65	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 NO : L63090MH1983PLC031418 Regd. Office: 83-87, 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 (Audited)	As at 31-Mar-2018 (Audited)
A ASSETS:		
1 Non-current assets:		
a) Property, plant and equipment	840.34	1,640.44
b) Capital work in progress	281.47	292.31
c) Investment property	0.96	1.10
d) Other Intangible assets	0.11	0.54
e) Deferred Tax Assets	1.30	-
f) Financial assets		
i) Investments	0.00	-
ii) Loans	6.91	10.81
iii) Other financial assets	213.45	15.13
g) Other non-current assets	66.08	114.05
h) Income tax assets (net)	92.73	82.50
	1,502.35	2,156.88
2 Current assets:		
a) Inventories	15.20	16.61
b) Financial assets		
i) Investments	180.38	205.73
ii) Trade receivables	110.31	321.74
iii) Cash and cash equivalents	0.88	22.46
iv) Bank balances other than cash and cash equivalents	37.04	105.98
v) Loans	23.38	3.18
vi) Other financial assets	70.58	74.61
c) Other current assets	66.33	282.36
Non current asset held for sale	185.68	26.28
	689.78	1,058.95
TOTAL ASSETS	2,192.13	3,215.83
B EQUITY AND LIABILITIES:		
1 Equity:		
a) Equity share capital	30.25	30.25
b) Other equity	(86.85)	922.43
Non Controlling Interest	90.50	60.97
	33.90	1,013.65
2 Non-current liabilities:		
a) Financial liabilities		
i) Borrowings	514.48	1,012.60
ii) Other financial liabilities	32.15	42.00
b) Provisions	5.50	3.55
c) Deferred Tax Liability (Net)	-	0.72
	552.13	1,058.87
3 Current liabilities:		
a) Financial liabilities		
i) Borrowings	722.37	422.61
ii) Trade payables	213.49	265.29
iii) Other financial liabilities	524.67	324.42
b) Other current liabilities	134.94	130.43
d) Provision	0.63	0.56
	1,606.10	1,143.31
TOTAL LIABILITIES	2,158.23	2,202.18
TOTAL EQUITY AND LIABILITIES	2,192.13	3,215.83



MERCATOR LIMITED

Regd. Office: 83-87, 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)	131.27	179.61	80.89	534.89	493.88
(c) Others	(9.92)	5.06	5.22	20.50	32.48
Net sales/Income From Operations	176.10	266.94	183.08	867.35	932.02
2. Segment Results Profit/(Loss) before tax from each segment					
(a) Shipping	(72.22)	(165.56)	37.28	(201.82)	(9.54)
(b) Coal (Mining, Procurement and Logistics) - Refere note 14	(73.08)	(84.09)	30.99	(101.76)	69.77
(c) Others	(31.32)	103.94	(48.28)	54.20	(58.66)
Less: Interest	(42.17)	(15.45)	(48.49)	(153.70)	(173.16)
Less: Exceptional items	(97.16)	-	-	(108.89)	-
Total Profit / (Loss) Before Tax from Continuing Operations	(315.95)	(161.16)	(28.50)	(511.97)	(171.59)
Net profit/(loss) before tax from discontinued Operation	(27.89)	(280.06)	(14.75)	(334.67)	(45.73)
Total Profit / (Loss) Before Tax	(343.84)	(441.22)	(43.25)	(846.64)	(217.32)
3. Segment Assets					
(a) Shipping	774.03	1,021.24	1,346.98	774.03	1,346.98
(b) Coal (Mining, Procurement and Logistics)	627.24	703.98	797.75	627.24	797.75
Total Segment Assets	1,401.27	1,725.22	2,144.73	1,401.27	2,144.73
Unallocable Assets	596.80	587.77	584.44	596.80	584.44
Discontinued operation	194.06	242.13	486.66	194.06	486.66
Total Assets	2,192.13	2,555.12	3,215.83	2,192.13	3,215.83
4. Segment Liabilities					
(a) Shipping	1,280.25	1,122.36	1,095.45	1,280.25	1,095.45
(b) Coal (Mining, Procurement and Logistics)	345.90	371.78	574.78	345.90	574.78
Total Segment Liabilities	1,626.15	1,494.14	1,670.23	1,626.15	1,670.23
Unallocable Liabilities	518.66	451.18	268.47	518.66	268.47
Discontinued operation	13.42	253.94	263.48	13.42	263.48
Total Liabilities	2,158.23	2,199.26	2,202.18	2,158.23	2,202.18



1. The Consolidated financial results of the Company including subsidiaries (herein referred to as "Group") for quarter and year ended March 31, 2019 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on November 13, 2019. The Standalone financial results for the quarter and year ended March 31, 2019 were earlier reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on May 28, 2019.
2. In view of the shareholders' related disputes as detailed in Note No 6(ii), the audit of the financial statements of the Indonesian material step down subsidiary was held up resulting in delay in adoption of audited consolidated financial statements.
3. 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.
4. 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.
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. The Auditors have drawn attention to the following matters and have expressed a Disclaimer of Opinion:

Going Concern:

- i. The financial statement have been prepared on a going concern basis. The Group has incurred significant losses and its net worth is substantially eroded in addition to defaults with lenders and credit downgrades. The current liabilities substantially exceeds the current assets and large sums of money are in disputed receivables which are not readily realisable. The management is making its best efforts to achieve resolution with the lenders, to restructure its business activities and to achieve favourable order in the ongoing litigations in order to protect the value of its assets. In view of these efforts, the management feels that the going concern basis of preparation of financial statements is appropriate.
- ii. In case of a material step-down subsidiary, PT Karya Putra Borneo (KPB) - Operating Coal mines in Indonesia, a minority shareholder has raised a frivolous claim with respect to the entire shareholding of the said subsidiary Company. The subsidiary has contested the same and as on date of reporting, the State Administrative Court has given verdict in favour of the existing shareholders. However, the minority shareholder has preferred an Appeal against the said order and the matter is still pending. The mining site and corporate office are in possession of existing management and business operations are continuing smoothly.



If the claim of said minority shareholder holds valid, the Group is exposed to risk of loss of net assets to the tune of Rs. 274.03 Crore (USD 39.62 Mn) as on March 31, 2019.

- iii. Current Tax Assets (net) as on March 31, 2019 includes Rs. 58.47 Crore (Net of Provision of Rs.52.79 Crore) which has not been settled due to ongoing tax assessment for the various Assessment Years up to AY 2015-16 against which net tax demand of Rs.63.18 Crore has been received and contested by the Company. Considering the various judicial pronouncements and submissions made so far, the management is hopeful of a favourable outcome of these pending litigations.
- iv. In October, 2019, one of the subsidiary has received a notice from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per terms and conditions of PSC. The subsidiary is confident of defending the amounts claimed by DGH. In case of rejection of Company's contention, the estimated financial impact would be to the tune of Rs.74.81 Crore.

7. 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 after completing almost 96% of the project. MOGL has since then initiated arbitration proceedings against ONGC and appointed its arbitrator and a tribunal has been formed.

Subsequent to the reporting period, based on the order of Hon'ble Bombay High Court dated July 29, 2019 ONGC has invoked Bank Guarantee and has accordingly provided for an amount of Rs. 106.99 Crore. In view of the management which is supported by the legal opinion, the claim made by the Company on ONGC holds good and no adverse impact is envisaged on financial statements.

8. 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.
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, financial lender of a step down foreign subsidiary has invoked Letter of Comfort (LOC) amounting to Rs. 244.61 Crore (USD 35.20 Mn), which has resulted in a claim of debt on the Parent Company as on March 31, 2019. The Sale proceeds of Rs. 174.47 Crore (USD 25.22 Mn) from sale of vessel "Nerissa" received on April 26, 2019.

Correspondingly, the Company has contracted for sale of vessel "Nerissa" in March 2019 at agreed price of Rs 197.14 Crore (USD 28.50 Mn) (Gross) and the same has been concluded in April 2019. The said asset was accordingly classified as "Non-Current Asset held for sale" as at March 31, 2019 and resultant impairment loss of Rs. 301.86 Crore (USD 43.14 Mn) has been recognised and included under "Net profit/(loss) before tax from discontinued operations" in the financial results. Financial Performance of the discontinued operation (as per IND AS 105) is as stated below:



Particulars	Quarter ended			Year ended	Year ended
	31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
	Unaudited	Unaudited	Unaudited	Audited	Audited
Revenue	14.88	17.14	9.10	47.01	42.19
Less:					
Operating Cost	6.93	5.35	7.25	22.55	25.23
Depreciation	0.05	6.11	7.81	20.56	31.60
Impairment loss on classification of asset as Non-Current Asset held for sale	33.21	268.65	-	301.86	-
Finance Cost	11.38	8.64	7.35	37.05	29.06
Administrative Expenses	9.22	0.07	1.45	9.26	2.03
Profit / (Loss) Before tax	(45.91)	(271.69)	(14.75)	(344.29)	(45.73)

11. During the quarter ended March 31, 2019, the Company has recognized exceptional items on account of 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. Insurance Claim will be recognised when reasonable certainty is established based on the accounting policy of the Company.
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

13. Credit Rating Downgrade and Default / Delay in repayment of loan interest / installments

During the year, Credit Analysis & Research Limited (CARE) had downgraded the rating assigned to the Company for short term credit facilities from CARE A4 to CARE D, which was again revised on 11th July 2019 from CARE D to CARE D (ISSUER NOT COOPERATING).

Further, in respect of Loans outstanding aggregating to Rs. 1680.02 Crore as on March 31, 2019 the Company and certain of its Indian / foreign subsidiaries have committed breach of financial covenants including default in interest and instalment payments due to various Banks / financial institutions which are still continuing. Till October 2019, certain lenders have recalled their Loans aggregating to Rs. 663.74 Crore.

In addition to above, certain Non-Banking Finance Companies (NBFC) have invoked 4,194,440 shares of the promoters pledged with them aggregating to Rs. 4.49 Crore. The promoters have



sought for compensation from the Company amounting to Rs.3.21 Crore, on the basis of the closing traded price for the last two trading days on a mark to market basis as on the reporting date.

14. 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 in "Other Expenses". The Group has also written back Rs. 157.93 Crore which primarily includes the liability written back on account of liquidation completion of two of our step down subsidiaries and creditors, in "Other Income".

15. Subsequent Events Disclosures

- a. Board of Directors of the Company has approved sale of vessels namely FSO Prem Pride and MT Prem Mala and postal ballot approval by the shareholders of the Company for making such sale has been obtained on November 11, 2019. Other necessary approvals are in the process.
- b. On August 31, 2019, TSHD Tridevi Prem (written down value of Rs 6.71 Crore) has developed leak and capsized at New Mangalore anchorage.
- c. Based on the management's decision to dispose off its fleet of dredgers (subject to consent from lenders) and carry on dredging business on asset light model, the Company has evaluated the impairment on these dredgers & certain ships and accordingly provided an impairment loss of Rs 111.16 Crore and Rs 217.73 Crore during quarter ended June 30, 2019 and September 30, 2019 respectively.
- d. Certain cases have been filed by operational creditors in National Company Law Tribunal (NCLT) against the Company and its few subsidiaries in India. No claim has been admitted yet and the hearing are in process.
- e. The Company had issued FCCBs aggregating to US\$ 16,000,000 (Rs. 110.27 Crore) during the Financial Year 2014-15. The FCCBs along with the premium fell due for redemption on May 27, 2019. In view of the significant decline in the trading price of the Equity Shares of the Company, the bondholder and the Company have agreed to restructure the initial terms of the FCCBs. The Company has entered into a Term Sheet with Bondholders, which has also been approved by the Reserve Bank of India, to restructure the FCCB's with following terms:
 - i. Maturity date of the FCCB's has been extended from May 27, 2019 to May 27, 2022 or such date as may be agreed by the Parties.
 - ii. The Conversion Price of the FCCB's has been reset from Rs. 38.30 per share to Rs.10 per share (with a fixed rate of exchange on conversion of Rs. 58.5740 per USD)
 - iii. Earlier coupon of 4.75% per annum payable annually has been changed to 5.75% compounded annually.
 - iv. The Company shall provide as security for the existing FCCBs a charge over "Yukti Prem".
 - v. Also, Put/Call/ Conversions options at various time frames and upon occurrence of certain events has been provided to respective parties.



16. 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

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

For MERCATOR LIMITED



H K MITTAL
EXECUTIVE CHAIRMAN



Place: Mumbai
Date: November 13, 2019



Independent Auditor's Report on the Audit of Consolidated Financial Results of Mercator Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors
Mercator Limited

1. We have audited the accompanying Statement of consolidated financial results ("Statement") of Mercator Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and year ended March 31, 2019 being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015 as amended.
2. 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
3. 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 also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

However, we believe that the audit evidence, obtained by us and basis the reports of other auditors, is not conclusively sufficient and appropriate and hence we have expressed Disclaimer of Opinion on these consolidated financial results.

4. The consolidated financial results include the results of the subsidiaries as per Annexure A attached.

Basis for Disclaimer of Opinion :

5. We draw attention to below referred Notes of the Consolidated financial results :
 - i) Note 6 (i) 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. The Group has accumulated losses and has also incurred significant losses during the period resulting in substantial erosion of its net worth, in addition to defaults with lenders and credit downgrade and inability to meet its current liabilities which substantially exceeds its current assets. As on date, the Group has substantial disputed receivables, which are not readily realizable to service the Group's current liabilities. These conditions indicate the existence of an uncertainty that may cast a doubt



on the Group's ability to continue as going concern. The appropriateness of assumption of going concern, and evaluation of recoverable value of its non-current assets is dependent upon the resolution of the debt of the Group, the Group'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 and currently there is not enough evidence to support this view..

- ii) Note 6 (ii) regarding ongoing litigation in respect of ownership of a material step down Indonesian subsidiary. Should the claim by the minority shareholder of the step-down subsidiary hold valid, the Company is exposed to loss of ownership with net exposure of Rs.274.03 Crore (USD 39.62 Mn) as at the reporting date.
- iii) Note 6(iii) regarding unprovided Current tax demands under dispute to the tune of Rs.63.18 Crore pending at various judicial forums of the Income Tax Department.
- iv) Note 6 (iv) regarding notice received by a subsidiary from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per terms and conditions of PSC. In case the subsidiary's stand is not accepted by the Ministry, the estimated financial impact would be to the tune of Rs.74.81 Crore.

Disclaimer of Opinion:

- 6. We are unable to express an opinion on the aforesaid Consolidated financial Results of the Group. Because of the cumulative impact and significance of the matters described in the Basis for Disclaimer of Opinion Section of our Report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion as to whether the accompanying statement of Consolidated financial results is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No. CIR/CFD/CMDI/44/2019 dated March 29, 2019 ('the Circular')

Emphasis of Matters

- 7. We draw your attention to the following matters:
 - i) Note 7 of the Statement regarding termination of Sagar Samrat Conversion Project (SSCP) contract undertaken by a subsidiary Mercator Oil and Gas Ltd. by ONGC and invocation of certain bank guarantees by ONGC. The matter is currently under dispute. However, reported financials will have an adverse impact of Rs. 204.61 Crore on net assets in case the arbitration petition is decided against the subsidiary.
 - ii) Note 8 of the Statement 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 above matter.

Other Matters

- 8. We did not audit the financial statements of 22 subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs.813.09 Crore as at March 31 2019, total revenues of Rs. 665.57 Crore, total net profit / (loss) after tax of Rs. (348.75) Crore, total comprehensive income/ loss of Rs. (348.75) Crore for the year ended on that date, as considered in the consolidated financial results. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

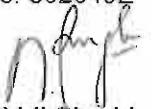


- A. The consolidated financial results include the financial results of 5 subsidiaries which have not been audited by their auditors, whose financial statements reflect total assets of Rs. 34.03 Crore as at March 31, 2019 and total revenue of Rs. Nil and Rs. Nil and total net profit/(loss) after tax of Rs.(1.85) Crore and Rs. (7.21) Crore for the quarter ended March 31, 2019 and for the period from April 1, 2018 to March 31, 2019, respectively, as considered in the consolidated financial results. According to the information and explanations given to us by the Management, these financial statements are not material to the Group

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

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




Nikhil Singhi

Partner

Membership No. 061567

Place: Mumbai
Date: November 13, 2019
UDIN: 19061567AAAAAM6189

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 Dredging Pvt Ltd (Formerly Mercator FPSO Pvt Ltd)
- 5 Mercator International Pte Ltd
- 6 Mercator Oceantransport Limited

B) Subsidiaries (held indirectly)

- 7 Offshore Holding Company Pte Ltd
- 8 Oorja Holdings Pte Ltd
- 9 Mercator Energy Pte Ltd
- 10 Mercator Offshore Assets Holding Pte Ltd
- 11 Panther Resources Pte Ltd
- 12 Oorja (Batua) Pte Ltd
- 13 Oorja 1 Pte Ltd
- 14 Oorja 2 Pte Ltd
- 15 MCS Holdings Pte Ltd
- 16 PT Karya Putra Borneo
- 17 PT Indo Perkasa
- 18 Oorja Indo Petangis Four (Indonesia)
- 19 Oorja Indo Petangis Three (Indonesia)
- 20 Oorja Indo KGS (Indonesia)
- 21 PT BimaGema Permata
- 22 Marvel Value International Limited
- 23 Mercator Offshore (P) Pte Limited
- 24 Oorja 3 Pte. Limited
- 25 Brio Resources Pte Ltd.
- 26 Oorja Mozambique Lda
- 27 Broadtec Mozambique Minas Lda



Mercator Limited

CIN NO : L63090MH1983PLCO31418

Regd. Office: 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333

Unaudited Financial Results For Quarter Ended June 30, 2019

(Rs. in crore)

Particulars	Consolidated			
	Quarter ended			Year Ended
	30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
	Unaudited	Unaudited	Unaudited	Audited
1 Income				
(a) Revenue from operations	145.71	176.10	183.08	867.35
(b) Other income	0.90	1.68	23.76	166.87
Total Income	146.61	177.78	206.84	1,034.22
2 Expenses				
(a) Cost of services rendered	99.73	161.34	94.49	618.88
(b) Employee benefits expense	10.06	11.44	12.00	41.64
(c) Finance costs	31.05	42.17	41.14	153.70
(d) Depreciation and amortisation	23.34	54.95	20.61	176.75
(e) Impairment Losses	111.16	53.45	-	53.45
(f) Other expenses	13.09	73.22	67.10	392.88
Total expenses	288.43	396.57	235.34	1,437.30
3 Profit/(loss) from operations before exceptional items and tax (1-2)	(141.82)	(218.79)	(28.50)	(403.08)
4 Exceptional items	(106.99)	(97.16)	-	(108.89)
5 Profit/(loss) before tax from Continuing Operations (3 - 4)	(248.81)	(315.95)	(28.50)	(511.97)
6 Tax expense				
Current tax (including earlier year adjustment)	(4.98)	(7.33)	(39.77)	(33.24)
Deferred tax (net)	-	0.87	(2.12)	0.76
7 Net profit/(loss) after tax from Continuing Operations (5 - 6)	(253.79)	(322.41)	(70.39)	(544.45)
Discontinued Operation				
Net profit/(loss) before tax from discontinued Operations	(2.75)	(27.89)	(14.75)	(334.67)
Tax (expenses) / benefit of discontinued operations	-	-	-	-
8 Net profit/(loss) after tax from Discontinued Operations	(2.75)	(27.89)	(14.75)	(334.67)
9 Net profit/(loss) after tax	(256.54)	(350.30)	(85.14)	(879.12)
10 Items that will not be reclassified to statement of profit and loss				
Remeasurement gains /(loss) of defined benefit plans	(0.03)	0.01	1.33	(0.05)
Total Other comprehensive income /(loss)	(0.03)	0.01	1.33	(0.05)
11 Total comprehensive income /(loss) for the period/year (comprising profits and other comprehensive income for the period/year) (9+10)	(256.57)	(350.29)	(83.81)	(879.17)
12 Profit /(Loss) attributable to for the period (net of tax)				
Owners of the company	(263.17)	(380.94)	(92.35)	(908.64)
Non controlling interest	6.63	30.64	7.21	29.52
13 Other comprehensive income/ (loss) for the year (net of tax)				
Owners of the company	(0.03)	0.01	1.33	(0.05)
Non controlling interest	-	-	-	-
14 Total Comprehensive Income /(Loss) for the period / year attributable to				
Owners of the company	(263.20)	(380.93)	(91.02)	(908.69)
Non controlling interest	6.63	30.64	7.21	29.52
15 Paid up equity share capital (FV of Re.1 per share)	30.25	30.25	30.25	30.25
16 Basic and Diluted earnings per equity share from continuing operations	(8.61)	(11.67)	(2.73)	(18.98)
17 Basic and Diluted earnings per equity share from discontinued operations	(0.09)	(0.92)	(0.49)	(11.06)
18 Basic and Diluted earnings per equity share from continuing and discontinued operations	(8.70)	(12.59)	(3.22)	(30.04)



MERCATOR LIMITED

Regd. Office: 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333

Unaudited Financial Results For Quarter Ended June 30, 2019

SEGMENTWISE CONSOLIDATED REVENUE RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER JUNE, 30 2019

(Rs in crore)

Particulars	Quarter Ended			Year Ended
	30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
	(Unaudited)	Audited	(Unaudited)	Audited
1. Segment Revenue (net sale/income from each segment should be disclosed under this head)				
(a) Shipping	30.09	54.75	55.24	311.96
(b) Coal (Mining, Procurement and Logistics)	113.86	131.27	115.24	534.89
(c) Others	1.76	(9.92)	12.60	20.50
Net sales/Income From Operations	145.71	176.10	183.08	867.35
2. Segment Results Profit / (Loss) before tax from each segment				
(a) Shipping	(116.28)	(72.22)	(1.21)	(201.82)
(b) Coal (Mining, Procurement and Logistics)	14.49	(73.08)	31.82	(101.76)
(c) Others	(222.97)	(31.32)	(8.70)	54.20
Less: Interest	(31.05)	(42.17)	(38.68)	(153.70)
Less: Exceptional items	(106.99)	(97.16)	(11.73)	(108.89)
Total Profit / (Loss) Before Tax from Continuing Operations	(248.81)	(315.95)	(28.50)	(511.97)
Net profit/(loss) before tax from discontinued Operation	(2.75)	(27.89)	(12.99)	(334.67)
Total Profit / (Loss) Before Tax	(251.56)	(343.84)	(41.49)	(846.64)
3. Segment Assets				
(a) Shipping	644.54	774.03	1,284.38	774.03
(b) Coal (Mining, Procurement and Logistics)	640.32	627.24	881.73	627.24
Total Segment Assets	1,284.86	1,401.27	2,166.11	1,401.27
Unallocable Assets	584.69	596.80	565.71	596.80
Discontinued operation	3.85	194.06	511.50	194.06
Total Assets	1,873.40	2,192.13	3,243.32	2,192.13
4. Segment Liabilities				
(a) Shipping	1,135.11	1,280.25	1,085.65	1,280.25
(b) Coal (Mining, Procurement and Logistics)	279.85	345.90	516.64	345.90
Total Segment Liabilities	1,414.96	1,626.15	1,602.29	1,626.15
Unallocable Liabilities	683.50	518.66	408.77	518.66
Discontinued operation	0.34	13.42	256.24	13.42
Total Liabilities	2,098.80	2,158.23	2,267.30	2,158.23



MERCATOR LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIALS FOR THE QUARTER ENDED JUNE 30, 2019

1. The Consolidated financial results of the Company including subsidiaries (herein referred to as "Group") for quarter and year ended June 30, 2019 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on November 13, 2019. The Standalone financial results for the quarter ended June 30, 2019 were earlier reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on August 13, 2019.
2. In view of the shareholders' related disputes as detailed in Note No 6(ii), the audit of the financial statements of the Indonesian material step down subsidiary was held up resulting in delay in adoption of audited consolidated financial statements.
3. 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.
4. The figures for the quarter ended March 31, 2019 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.
5. Effective April 1, 2019, the Company has adopted IND-AS 116 "Leases" on all material lease arrangement existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment amounting to Rs. 0.34 crores to retained earnings, on the date of initial application. Accordingly comparatives for the year ended March 31, 2019 have not been adjusted. The above approach has resulted in recognition of a right-of-use asset of Rs.0.87 crore and a lease liability of Rs.0.53 crore on the date of initial application. The effect of IND AS 116 on the loss before tax, loss for the quarter and earnings per share is not material.

With regards to application at overseas subsidiaries, IFRS 16 is applicable since 01.01.2020 and it is estimated that company does not have any operating lease generating long term right to use so as to have impact on financials and hence no material impact has been envisaged. Thus, cumulative impact if any, will be made in the year-end audited financials.

6. The Auditors have drawn attention to the following matters and have expressed a Disclaimer of Conclusion:

Going Concern:

- i. The financial statement have been prepared on a going concern basis. The Group has incurred significant losses and its net worth is substantially eroded in addition to defaults with lenders and credit downgrades. The current liabilities substantially exceeds the current assets and large sums of money are in disputed receivables which are not readily realisable. The management is making its best efforts to achieve resolution with the lenders, to restructure its business activities and to achieve favourable order in the ongoing litigations in order to protect the value



of its assets. In view of these efforts, the management feels that the going concern basis of preparation of financial statements is appropriate.

- ii. In case of a material step-down subsidiary, PT Karya Putra Borneo (KPB) - Operating Coal mines in Indonesia, a minority shareholder has raised a frivolous claim with respect to the entire shareholding of the said subsidiary Company. The subsidiary has contested the same and as on date of reporting, the State Administrative Court has given verdict in favour of the existing shareholders. However, the minority shareholder has preferred an Appeal against the said order and the matter is still pending. The mining site and corporate office are in possession of existing management and business operations are continuing smoothly.

If the claim of said minority shareholder holds valid, the Company is exposed to risk of loss of net assets to the tune of Rs 290.82 Crore (USD 42.20 Mn) as on June 30, 2019.

- iii. Current Tax Assets (net) as on March 31, 2019 includes Rs. 58.47 Crore (Net of Provision of Rs.52.79 Crore) which has not been settled due to ongoing tax assessment for the various Assessment Years up to AY 2015-16 against which net tax demand of Rs.63.18 Crore has been received and contested by the Company. Considering the various judicial pronouncements and submissions made so far, the management is hopeful of a favourable outcome of these pending litigations.
- iv. In October, 2019, one of the subsidiary has received a notice from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per terms and conditions of PSC. The subsidiary is confident of defending the amounts claimed by DGH. In case of rejection of Company's contention, the estimated financial impact would be to the tune of Rs.74.81 Crore.

7. 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 after completing almost 96% of the project. MOGL has since then initiated arbitration proceedings against ONGC and appointed its arbitrator and a tribunal has been formed.

Subsequent to the reporting period, based on the order of Hon'ble Bombay High Court dated July 29, 2019 ONGC has invoked Bank Guarantee and has accordingly provided for an amount of Rs. 106.99 Crore. In view of the management which is supported by the legal opinion, the claim made by the Company on ONGC holds good and no adverse impact is envisaged on financial statements.

8. 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.



9. During the year ended March 31, 2019, financial lender of a step down foreign subsidiary had invoked Letter of Comfort (LOC) amounting to Rs. 244.61 Crore (USD 35.20 Mn), which had resulted in a claim of debt on the Parent Company as on March 31, 2019. The Sale proceeds of Rs. 174.47 Crore (USD 25.22 Mn) from sale of vessel "Nerissa" received on April 26, 2019.

Correspondingly, the Company had contracted for sale of vessel "Nerissa" in March 2019 at agreed price of Rs 197.14 Crore (USD 28.50 Mn) (Gross) and the same had been concluded in April 2019. The said asset was accordingly classified as "Non-Current Asset held for sale" as at March 31, 2019 and resultant impairment loss of Rs. 301.86 Crore (USD 43.14 Mn) was recognised and included under "Net profit/(loss) before tax from discontinued operations" in the financial results of March 31, 2019. Financial Performance of the discontinued operation (as per IND AS 105) is as stated below:

Particulars	Quarter ended			Rs. In Crore
	30-Jun-19	31-Mar-19	30-Jun-18	Year ended
	Unaudited	Unaudited	Unaudited	31-Mar-19
				Audited
Revenue	-	14.88	7.19	47.01
Less:				
Operating Cost	2.67	6.93	4.92	22.55
Depreciation	-	0.05	7.27	20.56
Impairment loss on classification of asset as Non-Current Asset held for sale	-	33.21	-	301.86
Finance Cost	-	11.38	7.98	37.05
Administrative Expenses	0.01	9.21	0.01	9.26
Profit / (Loss) Before tax	(2.67)	(45.91)	(12.99)	(344.29)

10. Based on the management's decision to dispose off its fleet of dredgers (subject to consent from lenders) and carry on dredging business on asset light model, the Company has evaluated the impairment on these dredgers & certain ships and accordingly provided an impairment loss of Rs 111.16 Crore and Rs 217.73 Crore during quarter ended June 30, 2019 and September 30, 2019 respectively.
11. During the year ended March 31, 2019, the 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 in "Other Expenses". The Group has also written back Rs. 157.93 Crore which primarily includes the liability written back on account of liquidation completion of two of our step down subsidiaries and creditors, in "Other Income".
12. The Company had issued FCCBs aggregating to US\$ 16,000,000 (Rs. 110.27 Crore) during the Financial Year 2014-15. The FCCBs along with the premium fell due for redemption on May 27, 2019. In view of the significant decline in the trading price of the Equity Shares of the Company, the bondholder and the Company have agreed to restructure the initial terms of the FCCBs. The Company has entered into a Term Sheet with Bondholders, which has also been approved by the Reserve Bank of India, to restructure the FCCB's with following terms:



- i. Maturity date of the FCCB's has been extended from May 27, 2019 to May 27, 2022 or such date as may be agreed by the Parties.
- ii. The Conversion Price of the FCCB's has been reset from Rs. 38.30 per share to Rs.10 per share (with a fixed rate of exchange on conversion of Rs. 58.5740 per USD)
- iii. Earlier coupon of 4.75% per annum payable annually has been changed to 5.75% compounded annually.
- iv. The Company shall provide as security for the existing FCCBs a charge over "Yukti Prem".
- v. Also, Put/Call/ Conversions options at various time frames and upon occurrence of certain events has been provided to respective parties.

13. Credit Rating Downgrade and Default / Delay in repayment of loan interest / installments

During the year, Credit Analysis & Research Limited (CARE) had downgraded the rating assigned to the Company for short term credit facilities from CARE A4 to CARE D, which was again revised on 11th July 2019 from CARE D to CARE D (ISSUER NOT COOPERATING).

Further, in respect of Loans outstanding aggregating to Rs. 1642.20 Crore as on June 30, 2019 the Company and certain of its Indian / foreign subsidiaries have committed breach of financial covenants including default in interest and instalment payments due to various Banks / financial institutions which are still continuing. Till October 2019, certain lenders have recalled their Loans aggregating to Rs. 662.28 Crore.

In addition to above on cumulative basis, certain Non-Banking Finance Companies (NBFC) have invoked 28,071,304 shares of the promoters pledged with them aggregating to Rs. 12.67 Crore. The promoters have sought for compensation from the Company amounting to Rs.3.16 Crore, on the basis of the closing traded price for the last two trading days on a mark to market basis as on the reporting date.

14. Subsequent Event Disclosures

- a. Board of Directors of the Company has approved sale of vessels namely FSO Prem Pride and MT Prem Mala and postal ballot approval by the shareholders of the Company for making such sale has been obtained on November 11, 2019. Other necessary approvals are in the process.
- b. On August 31, 2019, TSHD Tridevi Prem (written down value of Rs 6.71 Crore) has developed leak and capsized at New Mangalore anchorage.
- c. Certain cases have been filed by operational creditors in National Company Law Tribunal (NCLT) against the Company and its few subsidiaries in India. No claim has been admitted yet and the hearing are in process.



15. The results for the quarter and year ended June 30, 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
16. Figures of previous periods have been regrouped / reclassified wherever necessary to conform to current period classification.

For **MERCATOR LIMITED**



A handwritten signature in blue ink, appearing to read "H K Mittal".

H K MITTAL
EXECUTIVE CHAIRMAN



Place: Mumbai
Date: November 13, 2019

Limited Review Report on Unaudited Quarterly Consolidated Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**To the Board of Directors
Mercator Limited**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Mercator Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement include the results of the subsidiaries as per Annexure A attached

Basis for Disclaimer of Conclusion:

5. We draw attention to below referred Notes of the Unaudited Consolidated financial results :
 - i) Note 6 (i) 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. The Group has accumulated losses and has also incurred significant losses during the period resulting in substantial erosion of its net worth, in addition to defaults with lenders and credit downgrade and inability to meet its current liabilities which substantially exceeds its current assets. As on date, the Group has substantial disputed receivables, which are not readily realizable to service the Group's current liabilities. These conditions indicate the existence of an uncertainty that may cast a doubt on the Group's ability to continue as going concern. The appropriateness of assumption of going concern, and evaluation of recoverable value of its current assets is dependent upon the resolution of the debt of the Group, the Group'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 and currently there is not enough evidence to support this view.



- ii) Note 6 (ii) regarding ongoing litigation in respect of ownership of a material step down Indonesian subsidiary. Should the claim by the minority shareholder of the step down subsidiary hold valid, the Company is exposed to loss of ownership with net exposure of Rs.290.82 Crore (USD 42.20 Mn) as at the reporting date.
- iii) Note 6(iii) regarding unprovided Current tax demands under dispute to the tune of Rs.63.18 Crore pending at various judicial forums of the Income Tax Department.
- iv) Note 6 (iv) regarding notice received by a subsidiary from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per terms and conditions of PSC. In case the subsidiary's stand is not accepted by the Ministry, the estimated financial impact would be to the tune of Rs.74.81 Crore.

Disclaimer of Conclusion :

- 6. We are unable to express a conclusion on the aforesaid Unaudited Consolidated financial Results of the Group. Because of the cumulative impact and significance of the matters described in the Basis for Disclaimer of Conclusion Section of our Report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for a conclusion as to whether the accompanying statement of unaudited consolidated financial results is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No. CIR/CFD/CMDI/44/2019 dated March 29, 2019 ('the Circular').

Emphasis of Matters:

- 7. We draw your attention to the following matters :
 - i) Note 7 of the Statement regarding termination of Sagar Samrat Conversion Project (SSCP) contract undertaken by a subsidiary Mercator Oil and Gas Ltd. by ONGC and invocation of certain bank guarantees by ONGC. The matter is currently under dispute. However, reported financials will have an adverse impact of Rs. 204.61 Crore on net assets in case the arbitration petition is decided against the subsidiary.
 - ii) Note 8 of the Statement 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 Matters:

- 8. We did not review the interim financial statements of 4 subsidiaries included in the consolidated unaudited financial results, whose interim financial statements reflect total assets of Rs. 1016.67 Crore as at June 30, 2019 and total revenues of Rs. 108.77 Crore , and total net profit/(loss) after tax of Rs.(146.45) Crore and total comprehensive income / loss of Rs. (145.42) Crore for the quarter ended June 30, 2019, as considered in the consolidated unaudited financial results. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.



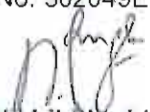
9. The consolidated unaudited financial results includes the interim financial information of 21 subsidiaries which have not been reviewed/audited by their auditors, whose interim financial information reflect total assets of Rs. 300.56 Crore as at June 30,2019 and total revenue of Rs. 4.28 Crore, total net profit/(loss) after tax of Rs. (2.90) Crore and total comprehensive income / loss of Rs. (2.90) Crore for the quarter ended June 30,2019, considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, financial results of these entities are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matters.

Place: Mumbai
Date: November 13, 2019
UDIN: 19061567AAAAAN9726



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


Nikhil Singhi

Partner
Membership No. 061567

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 Dredging Pvt Ltd (Formerly Mercator FPSO Pvt Ltd)
- 5 Mercator International Pte Ltd
- 6 Mercator Oceantransport Limited

B) Subsidiaries (held indirectly)

- 7 Offshore Holding Company Pte Ltd
- 8 Oorja Holdings Pte Ltd
- 9 Mercator Energy Pte Ltd
- 10 Mercator Offshore Assets Holding Pte Ltd
- 11 Panther Resources Pte Ltd
- 12 Oorja (Batua) Pte Ltd
- 13 Oorja 1 Pte Ltd
- 14 Oorja 2 Pte Ltd
- 15 MCS Holdings Pte Ltd
- 16 PT Karya Putra Borneo
- 17 PT Indo Perkasa
- 18 Oorja Indo Petangis Four (Indonesia)
- 19 Oorja Indo Petangis Three (Indonesia)
- 20 Oorja Indo KGS (Indonesia)
- 21 PT BimaGema Permata
- 22 Marvel Value International Limited
- 23 Mercator Offshore (P) Pte Limited
- 24 Oorja Mozambique Minas Lda
- 25 Broadtec Mozambique Minas Lda



Regd. Office: 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333
Unaudited Financial Results For Half Year / Quarter Ended September 30, 2019

Particulars		Standalone					
		Quarter ended			Half Year Ended		Year Ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	38.34	30.09	92.49	68.43	174.95	311.96
	(b) Other income	3.40	3.64	14.37	7.94	26.69	76.61
	Total Income	41.74	33.73	107.06	75.47	201.64	388.57
2	Expenses						
	(a) Cost of services rendered	32.53	17.37	50.66	50.10	99.31	212.76
	(b) Employee benefits expense	2.69	3.48	4.13	6.17	8.11	17.41
	(c) Finance costs	76.94	16.61	31.96	93.55	62.68	116.92
	(d) Depreciation and amortisation	14.41	13.84	34.16	28.25	69.26	123.72
	(e) Impairment Losses	217.73	111.16	-	328.89	-	53.45
	(f) Other expenses	15.34	3.96	2.86	19.50	6.03	109.55
	(g) Loss on Sale / Discard of Fixed Asset	-	-	-	-	-	73.50
	Total expenses	359.84	166.62	123.77	526.46	245.39	707.31
3	Profit/(loss) from operations before exceptional items and tax (1-2)	(318.10)	(132.89)	(16.71)	(450.99)	(43.75)	(318.74)
4	Exceptional items	-	-	-	-	-	(181.38)
5	Profit/(loss) before tax from Continuing Operations (3 - 4)	(318.10)	(132.89)	(16.71)	(450.99)	(43.75)	(500.12)
6	Tax expense						
	Current tax (including earlier year adjustment)	(1.30)	(1.30)	(2.28)	(2.60)	(2.68)	(11.33)
	Deferred tax (net)	-	-	-	-	-	-
7	Net profit/(loss) after tax from Continuing Operations (5-6)	(319.40)	(134.19)	(18.99)	(453.59)	(46.43)	(511.45)
	Discontinued Operations						
	Net profit/(loss) before tax from discontinued operations	-	-	-	-	-	-
	Tax (expenses) / benefit of discontinued operations	-	-	-	-	-	-
8	Net profit/(loss) after tax from Discontinued Operations	-	-	-	-	-	-
9	Net profit/(loss) after tax	(319.40)	(134.19)	(18.99)	(453.59)	(46.43)	(511.45)
10	Items that will not be reclassified to statement of profit and loss						
	Remeasurement gain/(loss) of defined benefit plans	(0.03)	(0.03)	(0.16)	-	0.02	(0.12)
	Total Other comprehensive income/(loss)	(0.03)	(0.03)	(0.16)	-	0.02	(0.12)
11	Total comprehensive income/(loss) for the period/year (comprising profits and other comprehensive income for the period/year) (9+10)	(319.43)	(134.22)	(19.15)	(453.59)	(46.41)	(511.57)
12	Profit/(Loss) attributable to for the period (net of tax)						
	Owners of the company	(319.40)	(134.19)	(18.99)	(453.59)	(46.43)	(511.45)
	Non controlling interest	-	-	-	-	-	-
13	Other comprehensive income/(loss) for the year (net of tax)						
	Owners of the company	(0.03)	(0.03)	(0.16)	-	0.02	(0.12)
	Non controlling interest	-	-	-	-	-	-
14	Total Comprehensive Income/(Loss) for the period / year attributable to						
	Owners of the company	(319.43)	(134.22)	(19.15)	(453.59)	(46.41)	(511.57)
	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	30.25
16	Basic and Diluted earnings per equity share from continuing operations	(10.56)	(4.44)	(0.63)	(15.00)	(1.53)	(16.91)
17	Basic and Diluted earnings per equity share from discontinued operations	-	-	-	-	-	-
18	Basic and Diluted earnings per equity share from continuing and discontinued operations	(10.56)	(4.44)	(0.63)	(15.00)	(1.53)	(16.91)
19	Debenture Redemption Reserve				25.00	25.00	25.00
20	Capital Redemption Reserve				40.00	40.00	40.00
21	Net Worth				(307.68)	711.34	145.22
22	Debt equity ratio				(5.16)	1.44	4.73
23	Debt service coverage ratio (DSCR)				0.45	1.21	1.02
24	Interest service coverage ratio (ISCR)				0.12	1.32	1.25

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 NO : L63090MH1983PLCO31418 Regd. Office: 3rd Floor, Mital Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333 Statement of Assets and Liabilities As at September 30, 2019 (Rs. in crore)		
Particulars	STANDALONE	
	As at 30-Sep-2019 (Audited)	As at 31-Mar-2019 (Audited)
A ASSETS:		
1 Non-current assets:		
a) Property, plant and equipment	93.98	451.84
b) Capital work in progress	-	-
c) Investment property	-	0.96
d) Other Intangible assets	-	-
e) Investment in subsidiaries	484.54	474.48
f) Financial assets		
i) Investments	-	-
ii) Loans	73.08	73.41
iii) Other financial assets	6.72	15.30
g) Other non-current assets	14.65	19.45
h) Income tax assets (net)	71.83	88.87
	744.80	1,124.31
2 Current assets:		
a) Inventories	2.35	3.74
b) Financial assets		
i) Trade receivables	63.27	67.71
ii) Cash and cash equivalent	7.54	7.42
iii) Bank balances other than cash and cash equivalents	25.08	21.31
iv) Loans	88.04	262.27
v) Other financial assets	67.76	71.36
e) Other current assets	33.88	30.28
d) Non current asset held for sale	11.50	-
	299.42	464.09
TOTAL ASSETS	1,044.22	1,588.40
B EQUITY AND LIABILITIES:		
1 Equity:		
a) Equity share capital	30.25	30.25
b) Other equity	(272.90)	222.65
	(202.65)	252.90
2 Non-current liabilities:		
a) Financial liabilities		
i) Borrowings	211.55	473.73
ii) Other financial liabilities	0.03	0.18
b) Provisions	1.19	1.16
	212.77	475.07
3 Current liabilities:		
a) Financial liabilities		
i) Borrowings	342.67	381.49
ii) Trade payables	96.74	85.27
iii) Other financial liabilities	580.06	369.34
b) Other current liabilities	14.02	23.72
c) Provision	0.61	0.61
	1,034.10	860.43
TOTAL EQUITY AND LIABILITIES	1,044.22	1,588.40

Mercator Limited

Statement of Standalone Cash Flow for the half year ended 30th September, 2019

	Year Ended 30-Sep-2019	Year Ended 30-Sep-2018
A Cash Flow from Operating Activities		
Net Profit / (Loss) before taxes	(453.65)	(43.75)
Adjustment for:		
Depreciation & Amortisation & impairment	357.14	69.26
Provision for doubtful debts/advances	5.30	0.24
Balances written back	6.61	0.45
Finance Costs	93.55	62.88
(Profit)/Loss on fixed assets sold / discarded (net) .	0.06	(1.79)
Notional Income on Corporate guarantee	(0.07)	-
Interest income	(6.73)	(14.94)
Remeasurements of net defined benefit plans	(0.06)	-
Unrealised foreign exchange (gain) / loss (Net)	29.66	(9.66)
Operating profit before Working Capital changes	31.61	62.48
Adjustment for:		
(Increase) / Decrease in Non Current Financial Loans	4.69	(1.88)
Decrease/(Increase) in Non Current Other Financial Assets	8.58	6.29
Decrease/(Increase) in Other Non Current Assets	4.80	3.95
Decrease/(Increase) in Inventories	1.39	(1.55)
Decrease/(Increase) in Other Current Assets	(3.60)	(0.35)
Decrease/(Increase) in Trade receivables	(7.28)	(12.42)
Decrease/(Increase) in Current Financial Assets - Loans	174.23	(19.08)
Decrease/(Increase) in Current Other Financial Assets	3.61	(6.07)
(Decrease)/Increase in Non Current Other financial liabilities	(0.15)	(1.55)
(Decrease)/Increase in Non Current provisions	-	(0.19)
(Decrease)/Increase in Long term provisions	(2.34)	41.09
(Decrease)/Increase in Trade payables	11.48	(5.45)
(Decrease)/Increase in Other current liabilities	(9.70)	(26.67)
(Decrease)/Increase in Other financial liabilities	(8.94)	0.10
Net Cash from Operating Activities	208.37	38.70
Direct taxes paid (Net of refund)	(19.64)	(1.44)
Less: Exceptional items	188.72	37.26
Total cash from / (used in) operating activities	188.72	37.26
B Cash Flow from Investing Activities		
Purchase of fixed assets including capital work in progress	2.76	(39.98)
(Increase) / Decrease in Capital Advances	4.80	3.95
Proceeds from Sale of Fixed Assets	11.56	26.28
Loan given to Subsidiaries	(4.36)	(42.63)
(Increase) / Decrease in Current Financial Loans	-	(10.76)
(Increase) / Decrease in Current Intercompany deposits	-	(0.22)
Purchase/(Sale) of Investments	(10.06)	-
Bank deposits (Placed) / redeemed with banks (Net)	(3.82)	5.16
Interest Received	6.74	14.97
Dividend Received	-	0.01
Net Cash from Investing Activities	7.62	(43.22)
C Cash Flow from Financing Activities		
Proceeds from Borrowings	51.39	133.02
Repayment of Borrowings	(214.39)	(67.80)
Interest paid	(33.22)	(69.69)
Dividend Paid (Including Dividend Distribution tax)	(0.00)	0.03
Net Cash from Financing Activities	(196.22)	(4.44)
Net Increase / (decrease) in cash and cash equivalents (A + B + C)	0.12	(10.41)
Cash and Cash Equivalents as at beginning of the year	7.42	18.45
Add: Unrealised Foreign Exchange Fluctuation on cash and cash equivalents	-	-
Cash and Cash Equivalents for the period ended	7.54	8.04
Cash and Cash equivalent	7.54	8.04

Limited review report on Unaudited Quarterly Standalone Financial Results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors

Mercator Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Mercator Limited** ("the Company") for the quarter and half year ended September 30, 2019 ("the Statement") being submitted by Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the cash flow statement for the corresponding half year ended September 30, 2018 as reported in the unaudited standalone financial results have been approved by the Board of directors of the company and is not subject to our review process.
2. This Statement is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" ("Ind AS 34"), 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 a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. **Basis for disclaimer of conclusion**
We draw attention to—
 - a. Note 4 (i) 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. The Company has accumulated losses and has also incurred significant losses during the half year and quarter ended September



30, 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 fully eroded, in addition to defaults with lenders and credit downgrades and inability to meet its current liabilities which substantially exceeds its current assets. These conditions indicate the existence of a material uncertainty that may cast significant 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 and currently there is not enough evidence to support this view.

- b. Note No. 4 (ii), regarding the Company's investments in its wholly owned foreign subsidiary Mercator International Pte Ltd. amounting to Rs. 400.01 crore (including investment in equity shares – Rs. 0.29 crore and preference shares – Rs. 399.72 crore), which are considered fully recoverable. Through this entity and step-down subsidiaries, the company holds investment in Indonesia operating coal mine and related infrastructure where 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. Since the matter is subjudice, the financial and operational impact, if any, of this legal case on the Company cannot be determined at this stage. As per the information and explanations given to us and also basis the audit report of auditor of subsidiary, we are unable to obtain sufficient appropriate audit evidence about the recoverability of such investment. Accordingly, we are unable to determine, if any adjustments, would be required to the carrying value of the investment as at September 30, 2019.
- c. Note No. 4 (iii), regarding unprovided current tax demands under dispute to the tune of Rs. 63.18 crore pending at various judicial forums of the Income Tax department.

Disclaimer of Conclusion

5. We are unable to express a conclusion on the aforesaid Unaudited standalone financial results of the Company. Because of the cumulative impact and significance of the matters described in the Basis for Disclaimer of Conclusion Section of our Report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for a conclusion as to whether the accompanying statement of unaudited consolidated financial results presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No. CIR/CFD/CMDI/44/2019 dated March 29, 2019 ('the Circular').

Emphasis of Matter

6. Note 5 of the statement regarding termination of Sagar Samrat Conversion Project (SSCP), undertaken by a subsidiary Mercator Oil & Gas Ltd. (hereinafter referred as "MOGL" or "subsidiary"), by ONGC, which is currently under arbitration. The Company



has investments and loans amounting to Rs. 0.15 crore and Rs. 82.67 crore (which includes un-serviced interest amounting to Rs.18.88 crore) respectively as at September 30, 2019 in MOGL, which in the view of the management is fully recoverable.

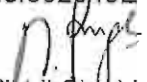
7. Note 6 of the statement, regarding receivable from an insurance company amounting to Rs. 54.28 crore, pertaining to total loss claim on a vessel pertaining to the year 2012-13, which has been considered fully recoverable by the management and is supported by a legal opinion.

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

Place: Mumbai
Dated: November 13, 2019
UDIN: 19061567AAAAAL8642



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


Nikhil Singhi
Partner

Membership No. 061567

CIN NO : L63920MH1983PLCO31418

Unaudited Financial Results For Half Year / Quarter Ended September 30, 2019

(Rs. in crore)

Particulars	Consolidated					
	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
(a) Revenue from operations	154.46	145.71	221.80	300.17	439.29	867.35
(b) Other income	0.80	0.90	1.64	1.70	4.48	166.87
Total Income	155.26	146.61	223.44	301.87	443.77	1,034.22
2 Expenses						
(a) Cost of services rendered	115.55	99.73	128.72	215.28	361.01	618.88
(b) Employee benefits expense	8.60	10.06	10.98	18.66	19.01	41.64
(c) Finance costs	89.75	31.05	49.43	120.80	96.09	153.70
(d) Depreciation and amortisation	25.12	23.34	47.74	48.46	95.65	176.75
(e) Impairment Losses	217.73	111.16	-	328.89	-	53.45
(f) Other expenses	32.00	13.09	11.67	45.09	21.86	392.88
Total expenses	488.75	288.43	248.54	777.18	493.62	1,437.30
3 Profit/(loss) from operations before exceptional items and tax (1-2)	(333.49)	(141.82)	(25.10)	(475.31)	(49.85)	(403.08)
4 Exceptional items	-	(106.99)	-	(106.99)	(11.73)	(108.89)
5 Profit/(loss) before tax from Continuing Operations (3 - 4)	(333.49)	(248.81)	(25.10)	(582.30)	(61.58)	(511.97)
6 Tax expense						
Current tax (including earlier year adjustment)	(2.35)	(4.98)	(7.43)	(7.33)	(15.75)	(33.24)
Deferred tax (net)	-	-	0.02	-	(1.73)	0.76
7 Net profit/(loss) after tax from Continuing Operations (5 - 6)	(335.84)	(253.79)	(32.51)	(589.63)	(79.06)	(544.45)
Discontinued Operation						
Net profit/(loss) before tax from discontinued Operations	(0.02)	(2.75)	-	(2.77)	-	(334.67)
Tax (expenses) / benefit of discontinued operations	-	-	-	-	-	-
8 Net profit/(loss) after tax from Discontinued Operations	(0.02)	(2.75)	-	(2.77)	-	(334.67)
9 Net profit/(loss) after tax	(335.86)	(256.54)	(32.51)	(592.40)	(79.06)	(879.12)
10 Items that will not be reclassified to statement of profit and loss						
Remeasurement gains/(loss) of defined benefit plans	(0.03)	(0.03)	(0.16)	(0.06)	0.04	(0.05)
Other comprehensive income						
Total Other comprehensive income/(loss)	(0.03)	(0.03)	(0.16)	(0.06)	0.04	(0.05)
11 Total comprehensive income/(loss) for the period/year (comprising profits and other comprehensive income for the period/year) (9+10)	(335.89)	(256.57)	(32.67)	(592.46)	(79.02)	(879.17)
12 Profit/(Loss) attributable to for the period (net of tax)						
Owners of the company	(337.72)	(263.17)	(43.36)	(600.89)	(100.35)	(908.64)
Non controlling interest	1.86	6.63	10.85	8.49	21.29	29.52
13 Other comprehensive income/(loss) for the year (net of tax)						
Owners of the company	(0.03)	(0.03)	(0.16)	(0.06)	0.04	(0.05)
Non controlling interest	-	-	-	-	-	-
14 Total Comprehensive Income/(Loss) for the period / year attributable to						
Owners of the company	(337.75)	(263.20)	(43.52)	(600.95)	(100.31)	(908.69)
Non controlling interest	1.86	6.63	10.85	8.49	21.29	29.52
15 Paid up equity share capital (FV of Re.1 per share)	30.25	30.25	30.25	30.25	30.25	30.25
16 Paid up debt capital	-	-	-	-	-	100.00
17 Basic and Diluted earnings per equity share from continuing operations	(11.17)	(8.61)	(1.44)	(19.49)	(3.22)	(18.98)
18 Basic and Diluted earnings per equity share from discontinued operations	(0.00)	(0.09)	-	(0.09)	-	(11.07)
19 Basic and Diluted earnings per equity share from continuing and discontinued operations	(11.17)	(8.70)	(1.44)	(19.87)	(3.22)	(30.04)
20 Debenture Redemption Reserve				25.00	25.00	25.00
21 Capital Redemption Reserve				40.00	40.00	40.00
22 Net Worth				(818.99)	837.59	(187.20)
23 Debt equity ratio				(2.92)	1.95	49.55
24 Debt service coverage ratio (DSCR)				0.29	0.99	0.57
25 Interest service coverage ratio (ISCR)				0.39	1.29	0.65

ISCR = Cash Profit Before Finance Cost/ Finance cost; Debt Equity Ratio = Total

Mercator Limited CIN NO : L63090MH11983PLCO31418 Regd. Office: 83-87, Mittal Tower, B-wing, Nariman Point, Mumbai-400021, Tel: 022-66373333 Statement of Assets and Liabilities As at September 30, 2019 (Rs. in crore)		
Particulars	Consolidated	
	As at 30-Sep-2019 (Unaudited)	As at 31-Mar-2019 (Audited)
A ASSETS:		
1 Non-current assets:		
a) Property, plant and equipment	459.00	840.34
b) Capital work in progress	304.83	281.47
c) Investment property	-	0.96
d) Other Intangible assets	0.09	0.11
e) Deferred Tax Assets	1.33	1.30
f) Financial assets		
i) Investments	-	0.00
ii) Loans	1.91	6.91
iii) Other financial assets	204.65	212.45
g) Other non-current assets	82.61	60.08
h) Income tax assets (net)	78.02	92.73
	1,132.44	1,502.35
2 Current assets:		
a) Inventories	16.09	15.20
b) Financial assets		
i) Investments	185.15	180.38
ii) Trade receivables	98.98	110.31
iii) Cash and cash equivalent	21.53	0.88
iv) Bank balances other than cash and cash equivalents	25.15	37.04
v) Loans	1.51	23.38
vi) Other financial assets	68.29	70.58
c) Other current assets	86.77	66.33
Non current asset held for sale	11.50	185.68
	514.97	689.78
TOTAL ASSETS	1,647.41	2,192.13
B EQUITY AND LIABILITIES:		
1 Equity:		
a) Equity share capital	30.25	30.25
b) Other equity	(700.94)	(86.83)
Non Controlling Interest	96.38	90.50
	(574.31)	33.90
2 Non-current liabilities:		
a) Financial liabilities		
i) Borrowings	211.55	514.48
ii) Other financial liabilities	54.96	32.15
b) Provisions	6.45	5.50
c) Deferred Tax Liability (Net)	-	-
	272.96	552.13
3 Current liabilities:		
a) Financial liabilities		
i) Borrowings	778.20	722.37
ii) Trade payables	209.91	213.49
iii) Other financial liabilities	880.32	534.67
b) Other current liabilities	79.67	134.94
d) Provision	0.66	0.63
	1,948.76	1,606.10
TOTAL LIABILITIES	2,221.72	2,158.23
TOTAL EQUITY AND LIABILITIES	1,647.41	2,192.13

MERCATOR LIMITED

Regd. Office: 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333

Unaudited Financial Results For Quarter / Half Year Ended September 30, 2019

SEGMENTWISE CONSOLIDATED REVENUE RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER / HALF YEAR SEPTEMBER, 30 2019

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	Audited
1. Segment Revenue (net sale/income from each segment should be disclosed under this head)						
(a) Shipping	38.34	30.09	100.28	68.43	189.93	311.96
(b) Coal (Mining, Procurement and Logistics)	116.11	113.86	108.77	229.97	224.01	534.89
(c) Others	-	1.76	12.75	1.77	25.35	20.50
Net sales/Income From Operations	154.46	145.71	221.80	300.17	439.29	867.35
2. Segment Results Profit/(Loss) before tax from each segment						
(a) Shipping	(334.71)	(116.28)	10.45	(450.99)	9.24	(201.82)
(b) Coal (Mining, Procurement and Logistics)	(4.32)	14.49	23.59	10.17	55.41	(101.76)
(c) Others	95.29	(222.96)	(9.71)	(127.67)	(18.41)	54.20
Less: Interest	(89.75)	(31.05)	(49.43)	(120.80)	(96.09)	(153.70)
Less: Exceptional items	-	(106.99)	-	(106.99)	(11.73)	(108.89)
Total Profit / (Loss) Before Tax from Continuing Operations	(333.49)	(248.81)	(25.10)	(582.30)	(61.58)	(511.97)
Net profit/(loss) before tax from discontinued Operation	(0.02)	(2.75)		(2.77)	-	(334.67)
Total Profit / (Loss) Before Tax	(333.51)	(251.56)	(25.10)	(585.07)	(61.58)	(846.64)
3. Segment Assets						
(a) Shipping	391.16	644.54	1,831.24	391.16	1,831.24	774.03
(b) Coal (Mining, Procurement and Logistics)	660.86	640.32	904.23	660.86	904.23	627.24
Total Segment Assets	1,052.02	1,284.86	2,735.47	1,052.02	2,735.47	1,401.27
Unallocable Assets	591.44	584.69	597.43	591.44	597.43	596.79
Discontinued operation	3.95	3.85		3.95	-	194.06
Total Assets	1,647.41	1,873.40	3,332.90	1,647.41	3,332.90	2,192.12
4. Segment Liabilities						
(a) Shipping	1,217.18	1,135.11	1,449.02	1,217.18	1,449.02	1,280.25
(b) Coal (Mining, Procurement and Logistics)	293.03	279.85	499.34	293.03	499.34	345.90
Total Segment Liabilities	1,510.21	1,414.96	1,948.36	1,510.21	1,948.36	1,626.15
Unallocable Liabilities	711.16	683.50	461.09	711.16	461.09	518.66
Discontinued operation	0.35	0.34	-	0.35	-	13.42
Total Liabilities	2,221.72	2,098.80	2,409.45	2,221.72	2,409.45	2,158.23

Mercator Limited

Statement of Consolidated Cash Flow Statement for the half year ended 30th September, 2019

Particulars	(Rs. in crore)	
	Six Month Ended 30-Sep-2019	Six month Ended 30-Sep-2018
A Cash Flow from Operating Activities		
Net Profit / (Loss) Before Exceptional Item and Tax	(475.32)	(49.85)
Adjustment for:		
Depreciation & Amortisation	48.46	95.65
Impairment of Assets	328.89	-
Provision for doubtful debts/advances	11.71	0.46
Finance Costs	120.80	96.09
(Profit)/Loss on fixed assets sold / discarded (net)	0.07	-
Interest income	(1.09)	(1.15)
Exceptional Item	-	11.73
Net loss of Discontinued Operation	(2.77)	-
Unrealised gain on Fair Value of Investment	-	1.02
Unrealised foreign exchange (gain) / loss (Net)	(63.82)	(244.07)
Operating profit before working capital changes	(31.06)	(90.11)
Adjustment for:		
Decrease/(Increase) in Non Current Financial Assets - Loans	4.99	(9.65)
Decrease/(Increase) in Non Current Other Financial Assets	7.80	3.24
Decrease/(Increase) in Other Non Current Assets	(0.65)	3.08
Decrease/(Increase) in Inventories	(0.89)	(24.50)
Decrease/(Increase) in Trade Receivables	11.32	(11.38)
Decrease/(Increase) in Current Financial Assets - Loans	21.87	(10.98)
Decrease/(Increase) in Current Other Financial Assets	2.29	(15.98)
Decrease/(Increase) in Other current assets	(20.47)	(64.54)
(Decrease)/Increase in Non Current Other financial liabilities	22.81	3.96
(Decrease)/Increase in Non Current provisions	0.95	0.32
(Decrease)/Increase in Trade Payables	(3.57)	53.51
(Decrease)/Increase in Current Other Financial Liabilities	101.64	67.04
(Decrease)/Increase in Other current liabilities	(55.23)	5.61
(Decrease)/Increase in Current provisions	0.03	0.10
Net Cash from Operating Activities	59.82	(90.27)
Direct taxes paid (Net of refund)	(22.07)	(29.93)
Less : Exceptional Item	(106.99)	(11.73)
Total cash from / (used in) operating activities	(69.25)	(131.93)
B Cash Flow from Investing Activities		
Purchase of fixed assets including capital work in progress	22.02	(12.15)
(Increase) / Decrease in Capital advances	15.88	51.75
Proceeds from Sale of Fixed Assets	195.13	26.36
(Increase) / Decrease in Short-term loans and advances	-	(10.98)
(Increase) / Decrease in Current Intercompany deposits	(0.90)	(0.22)
Purchase/(Sale) of Investments	(15.15)	26.36
Bank deposits (Placed) / redeemed with banks (Net)	(0.88)	68.55
Interest Income	(1.08)	(1.15)
Net Cash from Investing Activities	215.03	148.52
C Cash Flow from Financing Activities		
Proceeds from Borrowings	202.30	205.11
Repayment of Borrowings	(217.59)	(136.66)
Changes in the Non-Controlling Interest	2.62	(3.60)
Increase/(Decrease) in Reserves	6.55	13.33
Interest paid	(131.77)	(98.44)
Net Cash from Financing Activities	(137.89)	(20.25)
Net Increase / (decrease) in cash and cash equivalents (A + B + C)	7.88	(3.67)
Cash and Cash Equivalents as at beginning of the year	13.65	22.46
Add: Unrealised Foreign Exchange Fluctuation on cash and cash equivalents	(0.01)	(0.01)
Cash and Cash Equivalents as at end of the period	21.53	18.78

**NOTES FORMING PART OF STANDALONE AND CONSOLIDATED FINANCIALS FOR THE QUARTER AND
HALF YEAR ENDED SEPTEMBER, 2019**

1. The Consolidated financial results of the Company including subsidiaries (herein referred to as "Group") for quarter and half year ended September 30, 2019 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on November 13, 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. Effective April 1, 2019, the Company has adopted IND-AS 116 "Leases" on all material lease arrangement existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment amounting to Rs. 0.34 crores to retained earnings, on the date of initial application. Accordingly comparatives for the year ended March 31, 2019 have not been adjusted. The effect of IND AS 116 on the loss before tax, loss for the quarter and earnings per share is not material.

With regards to application at overseas subsidiaries, IFRS 16 is applicable since 01.01.2020 and it is estimated that company does not have any operating lease generating long term right to use so as to have impact on financials and hence no material impact has been envisaged. Thus, cumulative impact if any, will be made in the year-end audited financials.

4. The Auditors have drawn attention to the following matters and have expressed a Disclaimer of Conclusion:

Going Concern:

- i. The financial statement have been prepared on a going concern basis. The Group has incurred significant losses and its net worth is substantially eroded in addition to defaults with lenders and credit downgrades. The current liabilities substantially exceeds the current assets and large sums of money are in disputed receivables which are not readily realisable. The management is making its best efforts to achieve resolution with the lenders, to restructure its business activities and to achieve favourable order in the ongoing litigations in order to protect the value of its assets. In view of these efforts, the management feels that the going concern basis of preparation of financial statements is appropriate.
- ii. In case of a material step-down subsidiary, PT Karya Putra Borneo (KPB) - Operating Coal mines in Indonesia, a minority shareholder has raised a frivolous claim with respect to the entire shareholding of the said subsidiary Company. The subsidiary has contested the same and as on date of reporting, the State Administrative Court has given verdict in favour of the existing shareholders. However, the minority shareholder has preferred an Appeal against the said order and the matter is still pending. The mining site and corporate office are in possession of existing local management and business operations are continuing smoothly.



If the claim of said minority shareholder holds valid, the Company is exposed to risk of loss of net assets to the tune of Rs 289.74 Crore (USD 40.99 Mn) as on September 30, 2019.

- iii. Current Tax Assets (net) as on March 31, 2019 includes Rs. 58.47 Crore (Net of Provision of Rs.52.79 Crore) which has not been settled due to ongoing tax assessment for the various Assessment Years up to AY 2015-16 against which net tax demand of Rs.63.18 Crore has been received and contested by the Company. Considering the various judicial pronouncements and submissions made so far, the management is hopeful of a favourable outcome of these pending litigations.
- iv. In October, 2019, one of the subsidiary has received a notice from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per terms and conditions of PSC. The subsidiary is confident of defending the amounts claimed by DGH. In case of rejection of Company's contention, the estimated financial impact would be to the tune of Rs.74.81 Crore.

5. 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 after completing almost 96% of the project. MOGL has since then initiated arbitration proceedings against ONGC and appointed its arbitrator and a tribunal has been formed.

Based on the order of Hon'ble Bombay High Court dated July 29, 2019 ONGC has invoked Bank Guarantee and has accordingly provided for an amount of Rs. 106.99 Crore in the quarter ended June 30, 2019. In view of the management which is supported by the legal opinion, the claim made by the Company on ONGC holds good and no adverse impact is envisaged on financial statements.

6. 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.
7. Based on the management's decision to dispose off its fleet of dredgers (subject to consent from lenders) and carry on dredging business on asset light model, the Company has evaluated the impairment on these dredgers & certain ships and accordingly provided an impairment loss of Rs 111.16 Crore and Rs 217.73 Crore during quarter ended June 30, 2019 and September 30, 2019 respectively.
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 Mn), which has resulted in a claim of debt on the Parent Company as on March 31, 2019. The Sale proceeds of Rs. 174.47 Crore (USD 25.22 Mn) from sale of vessel "Nerissa" received on April 26, 2019.

Correspondingly, the Company has contracted for sale of vessel "Nerissa" in March 2019 at agreed price of Rs 197.14 Crore (USD 28.50 Mn) (Gross) and the same has been concluded in April 2019. The said asset was accordingly classified as "Non-Current Asset held for sale" as at March 31, 2019



and resultant impairment loss of Rs. 301.86 Crore (USD 43.14 Mn) has been recognised and included under "Net profit/(loss) before tax from discontinued operations" in the financial results. Financial Performance of the discontinued operation (as per IND AS 105) is as stated below:

Particulars	Quarter Ended			Half Year Ended		Rs in Crore
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	Year Ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	-	-	7.79	-	14.99	47.01
Less:						
Operating Cost	0.06	2.67	5.35	2.73	10.27	22.55
Depreciation	-	-	7.14	-	14.41	20.56
Impairment loss on classification of asset as Non-Current Asset held for sale	-	-	-	-	-	301.86
Finance Cost	-	-	9.05	-	17.03	37.05
Administrative Expenses	0.00	0.01	(0.01)	0.01	-	9.26
Profit / (Loss) Before tax	(0.06)	(2.67)	(13.74)	(2.73)	(26.72)	(344.29)

9. 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 September 30, 2019	As at March 31, 2019
1	Previous due date for payment of Interest on Non -- Convertible Debentures (NCD)	30-Mar-19	30-Mar-19
2	Previous due date for repayment of Principal of NCD	NA	NA
3	Next due date and amount for payment of Interest on 12% Secured NCD	*30-Jun-19	30-Jun-19
4	Next due date and amount for the repayment of Principal of 12% Secured NCD	*30-Jun-20	30-Jun-20

* Debenture Trustee has issued notice under clauses of event of default dated October 01, 2019 and raised demand for repayment of NCD including accrued and penal interest. The company has accounted penal interest of Rs 45 Crore as finance cost (Refer Note No 14).

10. The Company had issued FCCBs aggregating to US\$ 16,000,000 (Rs. 110.27 Crore) during the Financial Year 2014-15. The FCCBs along with the premium fell due for redemption on May 27, 2019. In view of the significant decline in the trading price of the Equity Shares of the Company, the bondholder and the Company have agreed to restructure the initial terms of the FCCBs. The Company has entered into a Term Sheet with Bondholders, which has also been approved by the Reserve Bank of India, to restructure the FCCB's with following terms:



- i. Maturity date of the FCCB's has been extended from May 27, 2019 to May 27, 2022 or such date as may be agreed by the Parties.
- ii. The Conversion Price of the FCCB's has been reset from Rs. 38.30 per share to Rs.10 per share (with a fixed rate of exchange on conversion of Rs. 58.5740 per USD)
- iii. Earlier coupon of 4.75% per annum payable annually has been changed to 5.75% compounded annually.
- iv. The Company shall provide as security for the existing FCCBs a charge over "Yukti Prem".
- v. Also, Put/Call/ Conversions options at various time frames and upon occurrence of certain events has been provided to respective parties.

11. Credit Rating Downgrade and Default / Delay in repayment of loan interest / installments

During the year, Credit Analysis & Research Limited (CARE) had downgraded the rating assigned to the Company for short term credit facilities from CARE A4 to CARE D, which was again revised on 11th July 2019 from CARE D to CARE D (ISSUER NOT COOPERATING).

Further, in respect of Loans outstanding aggregating to Rs. 1676.92 Crore as on September 30, 2019 the Company and certain of its Indian / foreign subsidiaries have committed breach of financial covenants including default in interest and instalment payments due to various Banks / financial institutions which are still continuing. Till October 2019, certain lenders have recalled their Loans aggregating to Rs. 681.26 Crore.

In addition to above, certain Non-Banking Finance Companies (NBFC) have invoked 31,220,738 shares of the promoters pledged with them aggregating to Rs. 13.13 Crore. The promoters have sought for compensation from the Company amounting to Rs. 3.51 Crore, on the basis of the closing traded price for the last two trading days on a mark to market basis as on the reporting date.

12. On August 31, 2019, T5HD Tridevi Prem (written down value of Rs 6.71 Crore) has developed leak and capsized at New Mangalore anchorage.
13. Finance cost includes Rs 47 Crores towards penal interest levied by lender(s) on loans recalled / event of default.

14. Subsequent Event Disclosures

- a. Board of Directors of the Company has approved sale of vessels namely FSO Prem Pride and MT Prem Mala and postal ballot approval by the shareholders of the Company for making such sale has been obtained on November 11, 2019. Other necessary approvals are in the process.
- b. Certain cases have been filed by operational creditors in National Company Law Tribunal (NCLT) against the Company and its few subsidiaries in India. No claim has been admitted yet and the hearing are in process.



15. 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

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

For MERCATOR LIMITED



H K MITTAL
EXECUTIVE CHAIRMAN



Place: Mumbai

Date: November 13, 2019



Limited Review Report on Unaudited Quarterly Consolidated Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors
Mercator Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Mercator Limited. ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and half year ended September 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the figures for net cash flow for the corresponding period from April 1, 2018 to September 30, 2018, as reported in these unaudited consolidated financial results have been approved by the Board of Directors of the Company, but have not been subjected to review
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), 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 a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement include the results of the subsidiaries as per Annexure A attached

Basis for Disclaimer of Conclusion:

5. We draw attention to below referred Notes of the Unaudited Consolidated financial results:
 - i) Note 4 (i) 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. The Group has accumulated losses and has also incurred significant losses during the period resulting in substantial erosion of its net worth, in addition to defaults with lenders and credit downgrade and inability to meet its current liabilities which substantially exceeds its current assets. As on date, the Group has substantial disputed receivables, which are not readily realizable to service the Group's current liabilities. These conditions indicate the existence of an uncertainty that may cast a doubt on the Group's ability to continue as going concern. The appropriateness of assumption of going concern, and evaluation of recoverable value of its current assets is dependent upon the resolution of the debt of the Group, the Group's ability to raise requisite finance, achieve favorable orders in



various ongoing litigations and generate cash flows in future to meet its obligations and to earn profits in future and currently there is not enough evidence to support the view that these initiatives will be successful.

- ii) Note 4 (ii) regarding ongoing litigation in respect of ownership of a material step down Indonesian subsidiary. Should the claim by the minority shareholder of the step down subsidiary hold valid, the Company is exposed to loss of ownership with net exposure of Rs.289.74 Crore (USD 40.99 Mn) as at the reporting date.
- iii) Note 4(iii) regarding unprovided Current tax demands under dispute to the tune of Rs.63.18 Crore pending at various judicial forums of the Income Tax Department.
- iv) Note 4 (iv) regarding notice received by a subsidiary from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per terms and conditions of PSC. In case the subsidiary's stand is not accepted by the Ministry, the estimated financial impact would be to the tune of Rs.74.81 Crore.

Disclaimer of Conclusion:

- 6. We are unable to express a conclusion on the aforesaid Unaudited Consolidated Financial Results of the Group. Because of the cumulative impact and significance of the matters described in the Basis for Disclaimer of Conclusion Section of our Report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for a conclusion as to whether the accompanying statement of unaudited consolidated financial results is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No. CIR/CFD/CMDI/44/2019 dated March 29, 2019 ('the Circular').

Emphasis of Matters:

- 7. We draw your attention to the following matters:
 - i) Note 5 of the Statement regarding termination of Sagar Samrat Conversion Project (SSCP) contract undertaken by a subsidiary Mercator Oil and Gas Ltd. by ONGC and invocation of certain bank guarantees by ONGC. The matter is currently under dispute. However, reported financials will have an adverse impact of Rs. 204.61 Crore on net assets in case the arbitration petition is decided against the subsidiary.
 - ii) Note 6 of the Statement 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 Matters:

- 8. We did not review the interim financial statements of 4 subsidiaries included in the consolidated unaudited financial results, whose interim financial statements reflect total assets of Rs.1044.40 Crore as at September 30, 2019 and total revenues of Rs.124.82 Crore and Rs.240.49 Crore, and total net profit/(loss) after tax of Rs.21.35 Crore and Rs.(117.17) Crore and total comprehensive income / loss of Rs.21.35 Crore and Rs.(117.17) Crore, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019 respectively, as considered in the consolidated unaudited



financial results. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

9. The consolidated unaudited financial results include the interim financial information of 21 subsidiaries which have not been reviewed/audited by their auditors, whose interim financial information reflect total assets of Rs.262.85 Crore as at September 30, 2019 and total revenue of Rs.120.73 Crore and Rs.125.00 Crore, total net profit/(loss) after tax of Rs.4.52 Crore and Rs.1.62 Crore and total comprehensive income / loss of Rs. 4.52 Crore and Rs. 1.62 Crore for the quarter ended September 30,2019 and for the period from April 1,2019 to September 30, 2019, respectively, considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, this interim financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matters



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

A handwritten signature in black ink, appearing to read "Nikhil Singh".

Nikhil Singh
Partner

Membership No. 061567

Place: Mumbai
Date: November 13, 2019
UDIN:19061567AAAAAO3206

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 Dredging Pvt Ltd (Formerly Mercator FPSO Pvt Ltd)
- 5 Mercator International Pte Ltd
- 6 Mercator Oceantransport Limited

B) Subsidiaries (held Indirectly)

- 7 Offshore Holding Company Pte Ltd
- 8 Oorja Holdings Pte Ltd
- 9 Mercator Energy Pte Ltd
- 10 Mercator Offshore Assets Holding Pte Ltd
- 11 Panther Resources Pte Ltd
- 12 Oorja (Batua) Pte Ltd
- 13 Oorja 1 Pte Ltd
- 14 Oorja 2 Pte Ltd
- 15 MCS Holdings Pte Ltd
- 16 PT Karya Putra Borneo
- 17 PT Indo Perkasa
- 18 Oorja Indo Petangis Four (Indonesia)
- 19 Oorja Indo Petangis Three (Indonesia)
- 20 Oorja Indo KGS (Indonesia)
- 21 PT BimaGema Permata
- 22 Marvel Value International Limited
- 23 Mercator Offshore (P) Pte Limited
- 24 Oorja Mozambique Minas Lda
- 25 Broadtec Mozambique Minas Lda

