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May 31, 2018

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: Clarification on Statement of Impact

Dear Sir,

In response to your email dated May 30, 2018, we wish to inform you that Statement of Impact on Audited Financial Result for the quarter ended March 31, 2018, was inadvertently missed out while filing financial result on Neaps Portal on account of our internal server issue. The same has been filed with BSE on the same date.

Submitting herewith statement of impact on Audited Financial Result for the quarter ended March 31, 2018.

We regret the convenience caused to you in this regard.

Please take the same on your record.

Thanking you,

Yours faithfully,
For **Mercator Limited**

Mercator Limited

Rajendra Kothari
Chief Financial Officer & Compliance Officer

Encl: as above

MERCATOR LIMITED
(CIN : L63090MH1983PLC031418)
31 Mittal Tower - B, Nariman Point, Mumbai - 400021, India. Tel: +91 22 66373333 Fax: +91 22 66373344 mercator@mercator.in

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 on Consolidated Financial Result [See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in Crore)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	1010.68	1010.68
	2	Total Expenditure	1227.99	1227.99
	3	Net Profit/(Loss)	(217.31)	(217.31)
	4	Earnings Per Share (in Re.)	(10.42)	(10.42)
	5	Total Assets	3215.83	3215.83
	6	Total Liabilities	2202.19	2202.19
	7	Net Worth	1013.65	1013.65

II. Audit Qualification (each audit qualification separately):

a Details of Audit Qualification:

a. In case of a step down subsidiary, the auditors have given a modified opinion for the financial year ended March 31, 2018 on the following basis:
   i. recoverability and non-provision of impairment loss in case of long overdue Trade Receivables amounting to Rs.126.01 Crore (US$ 19.37 Mn), (Previous Year Rs.72.97 Crore (US$ 11.25 Mn))
   ii. in case of claim of Hindustan Zinc Ltd (HZL), the company had forwarded a draft settlement agreement proposing a full and final additional cash settlement of Rs. 7.39 Crore (US$ 1.13 Mn), which is currently being reviewed by the claimant. However, the company has not made any provision for the potential claim amount and other incidental costs, pending final settlement of the claim.

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

b Type of Audit Qualification: Qualified Opinion

c Frequency of qualification: a) Repetitive
b) Repetitive;

d For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

a. i) The Management is reasonably confident of the recovery of these receivables amounting to *Rs.126.01 Crore (US$ 19.37 Mn), (Previous Year Rs.72.97 Crore, US$ 11.25 Mn).*
ii) Once the Amount is ascertained and after the settlement agreement is executed, the required liability shall be recognized by us in the books of accounts

b. The Management is reasonably confident of the recoverability of those advances amounting to Rs.22.03 Crore (USD 3.39 Mn,)

e For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable

(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reasons for the same:

(iii) Auditors' Comments on (i) or (ii) above:

III. Signatories:

For Mercator Limited
H. K. Mittal
Executive Chairman

For Mercator Limited
Rajendra Kothari
Chief Financial Officer

For Mercator Limited
M. M. Agrawal
Audit Committee Chairman

For Singhi & Co.,
Chartered Accountants
Nikhil Singhi
Partner
Membership No.061567

Place: Mumbai
Date: 28/05/2018

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May 28, 2018

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

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

Sub: Declaration pursuant to Regulation 33(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Standalone Financial Result

Dear Sir,

I, Rajendra Kothari, Chief Financial Officer and Compliance Officer of Mercator Limited hereby declares that the Statutory Auditors of the Company M/s. Singhi & Co, Chartered Accountants having FRN:302049E have issued unmodified opinion on the Stand-alone Audited Annual Financial Results for the Company for the year ended March 31, 2018.

Please take the same on your record.

Thanking you,

Yours faithfully,
For **Mercator Limited**

Mercator Limited

Rajendra Kothari
Chief Financial Officer & Compliance Officer