

August 12, 2021

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

Dear Sir/Madam,

Sub.: Outcome of Meeting pertaining to declaration of Financial Results

Ref.: Unaudited Financial Results for the quarter ended June 30, 2021 of Mercator Limited which is currently undergoing Corporate Insolvency Resolution Process (CIRP)

This is in continuation to our letter dated August 03, 2021. As you are aware, Mercator Limited (“the Company”) is currently undergoing Corporate Insolvency Resolution Process (“CIRP”) vide Hon’ble National Company Law Tribunal, Mumbai Bench order dated February 08, 2021 (“Order”), in terms of the provisions of Insolvency and Bankruptcy Code, 2016 (“IBC”) and the regulations framed thereunder. Pursuant to the said order and the provisions of IBC, the powers of the Board of Directors have been suspended and such powers along with the responsibility for managing the affairs of the Company are vested in Mr. Girish Siriram Juneja, in the capacity of Resolution Professional (“RP”).

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we wish to inform you that the Resolution Professional has today i.e. Thursday, August 12, 2021, *inter alia* considered and taken on record the following matters:

1. Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2021

In terms of Regulation 33 of the Listing Regulations, we are enclosing herewith the copy of the Unaudited Standalone and Consolidated Financial Results for quarter ended June 30, 2021 alongwith the Limited Review Report received from the Statutory Auditors of the Company for the quarter ended June 30, 2021.

It may be noted that these financial results have been signed by the RP while exercising the powers of the Board of Directors of the Company, which has been conferred upon him in terms of the provisions of Section 17 of IBC. The RP has not conducted any independent verification of these financial results. The RP has signed these financial results in good faith, solely for the purpose of compliance and discharging his duty under the IBC. The RP has relied upon the assistance provided by the members of the Audit Committee in review of the financial results and certifications, representations and statements made by the senior officials/management personnel of the Company in relation to these Unaudited Financial Results. The Unaudited financial results have been approved and taken on record by the members of the Board of Directors. The RP has accordingly taken these financial results on record.

The Company has also made necessary arrangements to publish the extracts of the financial results in newspapers pursuant to the requirements as prescribed under the Listing Regulations.

2. Re-Appointment of M/s. Shalinder Kaur & Associates, Company Secretaries, as Secretarial Auditor of the Company for the F.Y. 2021-22

A brief profile of the Secretarial Auditor pursuant to Regulation 30 of Listing Regulations is as below:

Name	M/s. Shalinder Kaur & Associates
Date & Term of Appointment	August 12, 2021 To Conduct Secretarial Audit of the Company for the Financial Year 2021-22
Profile	CS Shalinder Kaur Saddal is an Associate Member of the Institute of Company Secretaries of India (ICSI) and holds Law degree from Lala Lajpatrai College, Mumbai. She also holds a post-graduation degree in M.Com from Khalsa College, Mumbai. She has completed her graduation in Business Management Studies from Bhavans College, Mumbai. She has a wide and extensive experience of more than 4 years as a Company Secretary and Compliance Officer in various corporates before moving into practice. The firm M/s. Shalinder Kaur & Associates founded by her is providing various professional services in the field of Corporate legal Compliance, Secretarial Audit, Corporate Governance Audit, Corporate Litigation, Corporate Restructuring, SEBI related matters, Obtaining Regulatory Approvals, Incorporation of Companies, LLP, etc.

3. Resignation of Director and Chief Executive Officer:

In continuation to our intimations dated June 22, 2021 and June 28, 2021, and pursuant to Regulation 30 of the Listing Regulations read with Para A of Part A of Schedule III therein, since, the Company is currently undergoing the Corporate Insolvency Resolution Process and the acceptance of the resignations tendered by the Directors is subject to the relevant provisions of the Insolvency and Bankruptcy Code, 2016.

Accordingly, in the meeting of the Committee of Creditors (CoC) held on July 28, 2021, it was decided that since, the resignation of directors is governed by the Articles of Association of the Company and the CoC cannot have any role in the same. It was then decided that the Resolution Professional should approach the directors again and request them to reconsider their decision.

Accordingly, upon requesting the Directors, Ms. Ritu Vats (DIN: 08890591) and Mr. Jagmohan Talan (DIN: 08890353) have withdrawn their respective resignations and decided to continue as Independent Directors of the Company.

However, Mr. Sukhdarshan Singh Bedi (DIN: 08889664), Independent Director and Mr. Shalabh Mittal, Chief Executive Officer of the Company, who had tendered their resignations earlier, has been considered and taken on record at the meeting held today, i.e. August 12, 2021.

Please note that Mr. Sukhdarshan Singh Bedi and Mr. Shalabh Mittal has resigned due to personal reasons and other commitments. There are no other material reasons for their resignations other than the one stated above.

The resignation letters received from Mr. Sukhdarshan Singh Bedi and Mr. Shalabh Mittal is appended herewith for your ready reference, confirming that there were no other material reasons other than provided in the said letter.

The meeting commenced at 1:05 P.M. which was adjourned and reconvened from 4:00 P.M. and concluded at 4:45 P.M.

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For **Mercator Limited**

Rajendra Kothari
Chief Financial Officer

Encl: A/a

(Mercator Limited is under Corporate Insolvency Resolution Process vide Hon'ble National Company Law Tribunal, Mumbai Bench order dated February 08, 2021, in terms of the provisions of Insolvency and Bankruptcy Code, 2016 ('IBC') and the regulations framed thereunder. Pursuant to the said order and the provisions of IBC, the powers of the Board of Directors have been suspended and such powers are vested in Mr. Girish Siriram Juneja, in the capacity of Resolution Professional.)

Independent Auditor's Limited review report on Unaudited Quarter ended Consolidated Financial Results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**To
The Resolution Professional
In the matter of Mercator Limited**

IBBI Reg. No.: IBBI/IPA-001/IP-P00999/2017-2018/11646

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Mercator Ltd.** ("the Parent" / "ML") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended June 30, 2021 ("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.

The Hon'ble National Company Law Tribunal, Mumbai (NCLT) had admitted the petition of Financial Creditor under Insolvency and Bankruptcy Code (IBC) 2016 vide its Order dated February 8, 2021. As per Section 17 of the IBC, the powers of the Board of Directors of the Company have been suspended and such powers have been vested with Mr. Girish Siriram Juneja as the Interim Resolution Professional (hereinafter referred as "RP"), by the NCLT vide its aforesaid order to manage the affairs of the Company as per the provisions of IBC. The Committee of Creditors (CoC) confirmed Mr. Juneja as the Resolution Professional (RP) at its meeting held on March 10, 2021

2. This Statement, which is the responsibility of the Parent's Management and considered and taken on record by the RP, 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 ("the Act") and as per the presentation requirement of the SEBI circular CIR/CFD/FAC/62/2016 dated July 5, 2016 (hereinafter referred to as "the SEBI Circular") 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, to be read with Para 5, 8, 9 & 10.

4. The Statement includes the results of the subsidiaries listed in Annexure A, attached to this report, to be read with para 5(c).



Basis for Adverse Opinion

5. We draw attention to –

- a. Note No 5(i), regarding preparation of the statement on a going concern basis. The financing arrangements for the group have expired and the substantial amounts have been recalled and are due and payable as on June 30, 2021. Besides the NCLT has admitted the petition of the Financial Creditors vide its Order dated February 8, 2021 and proceedings under the IBC have been initiated on the Holding company. Further, certain cases have been filed by operational creditors and financial creditors in National Company Law Tribunal (NCLT) against certain material subsidiaries of which NCLT has admitted the application vide order dated August 31, 2020 and June 30, 2021 and IRP has been appointed on such subsidiaries. Also, we have been informed by the management that a liquidator has been appointed for one material direct subsidiary effective April 9, 2021. The Group has been unable to conclude re-negotiations or obtain replacement financing for repayment of its overdue financing arrangements. The Group has accumulated losses and has incurred significant losses during the current period and previous financial year. The Group also has substantial disputed receivables, which are not readily realizable to service the Company's current liabilities and the Group's net worth has also been fully eroded alongwith inability to meet its current liabilities which substantially exceeds its current assets. The management has not shared a revival plan for the Group to continue as a going concern and hence in the absence of the same we conclude that the going concern assumption has been vitiated. The Consolidated Financial Results have however been prepared on a going concern basis by the management.
- b. Note No. 5(ii), regarding the balances restated in the books of accounts of the Holding Company pursuant to admission of the claims submitted by the financial creditors, of which Rs. 22.43 crore is still under verification/not filed with Resolution Professional (RP). We are unable to comment on the financial impact of the same on the financial results of the Company.
- c. Note No. 5(iii), regarding non-compliance of Regulation 33(3)(h) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherein at least 80% of each consolidated revenue, assets and profits respectively, shall be reviewed by the respective auditors.

The Financial Statement / Financial Results / Financial Information of none of the subsidiaries have been reviewed as at and for the quarter ended June 30, 2021 or certified by the management of the respective companies and hence, we are unable to express any opinion on the subsidiary financial statements and thereby on the consolidated financial statements / financial information given the materiality of the subsidiaries. Status of financial information considered in preparing Consolidated Financial Results is as under –

Sr. no	Name of the Subsidiary Company	Financial Statement / Financial Results / Financial Information available for the period ended	Whether financial statement / financial results / financial information available is audited / reviewed / management certified
1	Mercator Oil and Gas Limited (MOGL)	June' 2021	Not Available
2	Mercator Petroleum Limited (MPL)	March'2021	Not Available
3	Oorja Resources India Private Limited.	June' 2021	Not Available
4	Mercator Dredging Private Limited. (FPSO) (Formerly	June' 2021	Not Available



Sr. no	Name of the Subsidiary Company	Financial Statement / Financial Results / Financial Information available for the period ended	Whether financial statement / financial results / financial information available is audited / reviewed / management certified
	Mercator Offshore Logistic Private Limited)		
5	Mercator Oceantransport Limited	June' 2021	Not Available
6	Mercator International Pte. Limited	March'2021	Not Available
7	Offshore Holdings Company Pte. Limited	March'2021	Not Available
8	Oorja Holdings Pte. Limited.	June' 2021	Not Available
9	Mercator Energy Pte Limited	June'2020	Under Liquidation
10	Mercator Offshore Assets Holding Pte Limited	June'2020	Under Liquidation
11	Mercator Offshore (P) Pte Limited	June'2020	Under Liquidation
12	Panther Resources Pte Limited	June' 2021	Not Available
13	Oorja (Batua) Pte. Limited	June' 2021	Not Available
14	Oorja 1 Pte. Limited	June' 2021	Not Available
15	Oorja Mozambique Lda	March'2020	Not Available
16	MCS Holdings Pte. Ltd.	March'2021	Not Available
17	PT Karya Putra Borneo	December'2020	Not Available
18	PT Indo Perkasa	December'2020	Not Available
19	Oorja Indo Petangis Four	December'2020	Not Available
20	Oorja Indo Petangis Three	Decemeber'2020	Not Available
21	Bima Gema Permata, PT	Decemeber'2020	Not Available
22	Oorja Indo KGS	Decemeber'2020	Not Available
23	Broadtec Mozambique Minas Lda	March'2020	Not Available

Further, as detailed in para(s) 8 to 10, wherever financial statement / financial results / financial information of companies is not available for the quarter ended June 30, 2021, the latest information (as stated above) are considered in preparation of the Consolidated Financial results of the Parent Company.

- d. Note No. 5(iv), regarding interest or any other charges not being accrued in the books of accounts of the Holding Company from the date of commencement of CIR process, i.e. February 8, 2021 onwards, on account of moratorium under section 14 of Code.
- e. Note No. 5(v), regarding the Group's investment carried at Fair Value through Profit and Loss Account pertaining to its coal mining and related infrastructure assets in Indonesia on which reduction in fair value of Rs. 24.56 crore was recognized during the year ended March 31, 2021 basis an independent valuation report conducted on December 31, 2020. Further, we have been informed by the management that a liquidator has been appointed on Mercator International Pte. Ltd ("MIL") effective April 9, 2021 and no financial statement / financial results / financial information of MIL is being made available to the Parent Company.

For certain step-down subsidiaries, limited financial information has been shared for inclusion in preparation of consolidated financial results but proper details and bifurcations are not available to ensure eliminations.



However, the management / RP of the Parent Company are confident that ML still maintains the control on MIL and the subsidiaries (held indirectly), as listed in Annexure A, as defined in Ind – AS 110 “Consolidated Financial Statements”, and is being considered in preparation of the Consolidated Financial results of the Parent Company basis the information available, as enlisted in para 5(c) above.

In view of the above stated matters, we are unable to comment on the impact on the fair valuation of these financial assets and consequently the financial results, had the valuation been done as on June 30, 2021, the impact of the liquidation of the intermediate subsidiary and the compliance of Ind – AS 110.

- f. Note No. 5(vi), regarding unprovided current tax demands under dispute, pertaining to Holding Company, to the tune of Rs. 63.18 crore pending at various judicial forums of the Income Tax department. In the absence of the required supporting documents justifying the stand of the Holding Company we are unable to comment on final outcome of such assessments and the potential financial impact of the same.
- g. Note No. 5(vii),
- 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 amount standing under Other Financial Assets is Rs. 204.60 crore. The amount of recoverability and ultimate impairment would depend on the outcome of the arbitration proceedings, which is uncertain as on the date of financial results.
 - Further, regarding one of the consortium partners in SSCP (‘GPC’) has filed a claim against the MOGL in Abu Dhabi First Instance Court wherein the Court after review sought for work undertaken and change of assessment base, ordered MOGL to pay USD 5.7 million (equivalent Rs. 42.38 crore) and interest @ 5% p.a. from date of case filed until actual payment. However, MOGL had not accepted the claim and recognized Rs. 22.97 crore as contingent liability on the subject matter. Further, the petition filed in NCLT, Mumbai Bench by an operational creditor against MOGL has been admitted vide Order dated June 30, 2021 and an Interim Resolution Professional (IRP) has been appointed. However, the management / RP of the Parent Company are confident that ML still maintains the control on MOGL, as defined in Ind – AS 110 “Consolidated Financial Statements”, and is being considered in preparation of the Consolidated Financial results of the Parent Company.
 - The financial statements as on March 31, 2021 has been incorporated basis the information available with the management of the Holding Company, however the same is not certified by the management of the MOGL.

In the view of the above, we are unable to comment on the potential financial impact of the same on the Consolidated Financial Results and compliance of Ind – AS 110.

- h. Note No. 5(viii), regarding notice received by a subsidiary company, Mercator Petroleum Limited (hereinafter referred to as “MPL”), 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 MPL’s stand is not accepted by MOPNG, the estimated financial impact on the group would be to the tune of Rs. 35.80 crore.

Note No. 5(viii)(b) and 5(viii)(c), regarding the fact that, as per the explanations provided to us by the management / RP of the Holding Company, MPL has not been able to provide any valuation report with respect to fair value of oil block CB-9 on which reliance can be placed. Further, we have been informed by the management that the petition filed in NCLT, Mumbai Bench by an operational creditor against MPL has been admitted vide Order dated Aug 31, 2020 and an Interim Resolution Professional (IRP) has been appointed and no financial statement / financial results / financial information of MPL is being made available to the Parent Company.



However, the management / RP of the Parent Company are confident that ML still maintains the control on MOGL, as defined in Ind – AS 110 “Consolidated Financial Statements”, and is being considered in preparation of the Consolidated Financial results of the Parent Company.

In the view of the above, we are unable to comment on the potential financial impact of the same on the Consolidated Financial Results and compliance of Ind – AS 110.

- i. Note No. 5(ix), the Holding Company has failed to pay the installment due of the debentures on the due date and failed to pay the interest due thereon for a continuous period of more than a year. Hence, all the directors of the Holding Company are disqualified from being appointed as director in terms of Section 164 (2) of the Act.
- j. Note No. 5(x), regarding balance confirmations not been received in respect of various secured / unsecured loans, trade receivables, trade and other payables, and loans and advances for several entities of the group as a result of which reconciliation process and consequential adjustments, if any, has not been carried out in these entities. The Group has adjusted / provided significant amounts basis its internal estimates, against which necessary supporting documentation has not been made available for verification.
- k. Note No. 5(xi), regarding non – compliance of Section 134 and 149 of the Companies Act 2013 in case of certain material subsidiaries.
- l. Note no. 5(xii) & 5(xiii), regarding non – availability of requisite information for preparation of segment reporting and assumptions considered for eliminations.

Adverse Conclusion:

- 6. Based on our review conducted as above, we report that due to the significance of the matters stated in para 5 “Basis for Adverse Conclusion”, we have come to the conclusion that the Statement is not prepared fairly in material respect in accordance with aforesaid Indian Accounting Standards and other recognized accounting practices and policies generally accepted in India and has not disclosed fairly the information required to be disclosed in terms of the SEBI Circular.

Emphasis of Matter

- 7. We draw attention to –

Note No. 6, 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 is under litigation and 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 matter.

Other Matters

- 8. The accompanying Consolidated Financial Results includes unaudited financial results /statements and other unaudited financial information in respect of 3 foreign subsidiaries whose financial statements have been incorporated based on financial statement / financial information available with the Holding company for the year ended March 31, 2021. Also, the accompanying Consolidated Financial Results includes unaudited financial results /statements and other unaudited financial information in respect of 1 domestic subsidiaries whose financial statements have been incorporated based on financial statement / financial information available with the Holding company for the year ended March 31, 2021. These financial statements / financial information / financial results have neither been audited nor certified by the management of respective company.
- 9. The accompanying Consolidated Financial Results includes financial results /statements in respect of 4 domestic subsidiaries and 4 foreign subsidiaries whose financial statements have been incorporated based on financial statements / financial information available with the Holding



company but have neither been certified by the management nor audited / reviewed and reflects total revenue of Rs. 1.71 crore, total net loss after tax of Rs. 17.76 crore and total comprehensive loss of Rs. 17.76 crore for the quarter ended June 30, 2021. These financial statements / financial information / financial results have neither been audited nor certified by the management of respective company.

10. The consolidated financial results include the interim financial information of 11 foreign subsidiaries / step – down subsidiaries, whose financial results / financial information is available for the year ended March 31, 2020 or June 30, 2020 or December 31, 2020. According to the information and explanations given to us by the Management, this interim financial information is not material to the Group.

Our opinion to be read with para 5(c), is modified in respect of the above matters stated in para 8 to 10.

11. The comparative figures included in the financial results for the quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of the financial year ended March 31, 2021 and the published unaudited year to date figures up to the third quarter of the previous financial year, which are neither subject to limited review nor audited by us.

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

Place: Mumbai
Date: August 12, 2021
UDIN: 21007592AAAAAR9779



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

SANKARNARA Digitally signed by
YAN SANKARNARAYAN
CHANDRASEK CHANDRASEKHAR
HAR Date: 2021.08.12
16:40:13 +05'30'

S. Chandrasekhar
Partner
Membership No. 007592

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 Private Ltd
- 4 Mercator Dredging Private 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 (under liquidation)
- 10 Mercator Offshore Assets Holding Pte Ltd (under liquidation)
- 11 Panther Resources Pte Ltd
- 12 Oorja (Batua) Pte Ltd
- 13 Oorja 1 Pte Ltd
- 14 MCS Holdings Pte Ltd
- 15 PT Karya Putra Borneo
- 16 PT Indo Perkasa
- 17 Oorja Indo Petangis Four (Indonesia)
- 18 Oorja Indo Petangis Three (Indonesia)
- 19 Oorja Indo KGS (Indonesia)
- 20 PT BimaGemaPermata
- 21 Mercator Offshore (P) Pte Limited (under liquidation)
- 22 Oorja Mozambique Lda (Mozbq)
- 23 Broadtec Mozambique Minas Lda (Mozambique)



Mercator Limited

CIN NO : L63090MH1983PLCO31418

Regd. Office: 83-87, Mittal Tower, B-wing, Nariman Point, Mumbai - 400 021.

Tel: 022-66373333

Unaudited Financial Results For Quarter Ended June 30, 2021

(Rs. in crore)

Particulars		Consolidated			
		Quarter Ended			Year ended
		30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
		Unaudited	Refer Note No 20	Unaudited	Audited
1	Income				
	(a) Revenue from operations	-	3.97	114.63	373.78
	(b) Other income	0.05	7.15	10.00	38.81
	Total Income	0.05	11.12	124.63	412.59
2	Expenses				
	(a) Cost of services rendered	-	6.02	91.49	289.73
	(b) Employee benefits expense	0.09	0.71	4.94	22.89
	(c) Finance costs (incl. penal interest)	12.66	80.73	68.61	290.79
	(d) Depreciation and amortisation	0.02	0.62	12.23	39.45
	(e) Impairment Losses (net of reversal, if any)	-	22.98	3.84	26.63
	(f) Loss on Sale / Discard of Property, Plant and Equipment	-	2.24	-	2.26
	(g) Other expenses	6.27	3.96	6.89	44.93
	(h) Loss on Fair Value of Investment	-	-	-	-
	(i) Provision for doubtful debts / advances (net)	-	(0.02)	0.01	-
	Total expenses	19.04	117.24	188.01	716.68
3	Profit/(loss) from operations before exceptional items and tax (1-2)	(18.99)	(106.12)	(63.38)	(304.09)
4	Exceptional items	-	-	-	-
5	Profit/(loss) before tax from Continuing Operations (3-4)	(18.99)	(106.12)	(63.38)	(304.09)
6	Tax expense				
	Current tax (including earlier year adjustment)	1.13	(9.44)	(2.13)	(15.58)
	Deferred tax (net)	-	-	-	-
7	Net profit/(loss) after tax from Continuing Operations (5 - 6)	(17.86)	(115.56)	(65.51)	(319.67)
	Discontinued Operation				
	Net profit/(loss) before tax from discontinued Operation	-	-	-	-
	Tax (expenses) / benefit of discontinued operation	-	-	-	-
8	Net profit/(loss) after tax from Discontinued Operation	-	-	-	-
9	Net profit/(loss) after tax	(17.86)	(115.56)	(65.51)	(319.67)
10	Items that will not be reclassified to statement of profit and loss				
	Remeasurement gains /(loss) of defined benefit plans	-	-	-	-
	Total Other comprehensive income /(loss)	-	-	-	-



11	Total comprehensive income /(loss) for the period/year (comprising profits and other comprehensive income for the period / year) (9+10)	(17.86)	(115.56)	(65.51)	(319.67)
12	Profit /(Loss) attributable to for the period (net of tax)				
	Owners of the company	(17.86)	(115.44)	(68.56)	(332.17)
	Non controlling interest	-	(0.12)	3.05	12.50
13	Other comprehensive income/ (loss) for the year (net of tax)				
	Owners of the company	-	-	-	-
	Non controlling interest	-	-	-	-
14	Total Comprehensive Income /(Loss) for the period / year attributable to				
	Owners of the company	(17.86)	(115.44)	(68.56)	(332.17)
	Non controlling interest	-	(0.12)	3.05	12.50
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 operation	(0.59)	(3.82)	(2.27)	(10.98)
17	Basic and Diluted earnings per equity share from discontinued operation	-	-	-	
18	Basic and Diluted earnings per equity share from continuing and discontinued operation	(0.59)	(3.82)	(2.27)	(10.98)

For and on behalf of the Board



H. K. Mittal

Whole-time Director

(DIN:00007690)

Powers of the Board are Suspended from the Insolvency Commencement date



Rajendra Kothari

Chief Financial Officer

Taken on record by



Girish Siriram Juneja

Resolution Professional for

Mercator Limited

(IBBI/IPA001/IP-P00999/2017-2018/11646)

Place: Mumbai

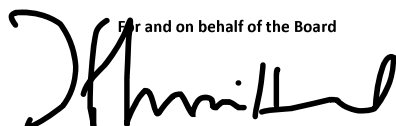
Date: 12 August 2021



<p style="text-align: center;">MERCATOR LIMITED CIN NO : L63090MH1983PLCO31418 Regd. Office: 3rd Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333</p>				
<p style="text-align: center;">SEGMENTWISE CONSOLIDATED UNAUDITED FINANCIAL RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED 30 JUNE, 2021 (Rs in crore)</p>				
Particulars	Quarter Ended			Year Ended
	30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
	(Unaudited)	Refer Note No 20	(Unaudited)	(Audited)
1. Segment Revenue (net sale/income from each segment should be disclosed under this head)				
(a) Shipping	-	(1.45)	-	6.85
(b) Coal (Mining, Procurement and Logistics)	-	5.42	114.63	366.93
(c) Others	-	-	-	-
Net sales/Income From Operations	-	3.97	114.63	373.78
2. Segment Results Profit / (Loss) before tax from each segment				
(a) Shipping	(0.10)	0.47	2.49	6.97
(b) Coal (Mining, Procurement and Logistics)	(0.19)	(24.91)	8.33	0.88
(c) Others	(6.04)	(0.95)	(5.59)	(21.15)
Less: Interest	(12.66)	(80.73)	(68.61)	(290.79)
Less: Exceptional items	-	-	-	-
Total Profit / (Loss) Before Tax from Continuing Operations	(18.99)	(106.12)	(63.38)	(304.08)
Net profit/(loss) before tax from discontinued Operation	-	-	-	-
Total Profit / (Loss) Before Tax	(18.99)	(106.12)	(63.38)	(304.08)
3. Segment Assets #				
(a) Shipping	205.51	226.62	243.93	226.62
(b) Coal (Mining, Procurement and Logistics)	534.26	527.87	521.61	527.87
Total Segment Assets	739.77	754.49	765.54	754.49
Unallocable Assets	463.59	464.18	488.03	464.18
Discontinued operation	0.08	0.08	9.90	0.08
Total Assets	1,203.44	1,218.75	1,263.47	1,218.75
4. Segment Liabilities #				
(a) Shipping	1,292.91	1,315.04	1,199.27	1,315.04
(b) Coal (Mining, Procurement and Logistics)	397.05	391.58	364.20	391.58
Total Segment Liabilities	1,689.96	1,706.62	1,563.46	1,706.62
Unallocable Liabilities	783.95	764.39	710.08	764.39
Discontinued operation	0.16	0.16	10.31	0.16
Total Liabilities	2,474.07	2,471.17	2,283.85	2,471.17

#As more elaborated in Para 5 (iii), due to non-availability of relevant information from the subsidiaries as on June 30, 2021, certain inter company transactions have not been eliminated, which may lead to incorrect disclosure of segment assets and segment liabilities.

For and on behalf of the Board


H. K. Mittal

Whole-time Director

(DIN:00007690)

Powers of the Board are Suspended from the Insolvency Commencement date



Rajendra Kothari
Chief Financial Officer



Taken on record by
Girish Siriram Juneja
Resolution Professional for
Mercator Limited
(IBBI/IPA001/IP-P00999/2017-2018/11646)

Place: Mumbai
Date: 12 August 2021



MERCATOR LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIALS FOR THE QUARTER ENDED JUNE 30, 2021

1. A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Mercator Limited vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Pursuant to the order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who had been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC).
2. The consolidated financial results of Mercator Limited (hereinafter referred as "the Company") for the quarter ended June 30, 2021 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors chaired by the Resolution Professional (RP) held on August 12, 2021. The RP with the assistance of the management of the Company and Chief Financial Officer of the Company has made all practical and reasonable efforts to prepare these quarterly results. In drawing up the accounts of the quarter the RP has relied upon the Audited Opening Balance Sheet numbers as of 01 April 2021, as provided by the suspended board and taken on record by RP. These results have been prepared with the same 'Basis of Preparation' as adopted by the erstwhile board of directors as prescribed under the Companies Act, 2013 and related regulations. The said consolidated financial results of the Company have been certified by the Director and Chief Financial Officer of the Company. The RP has relied upon the assistance provided by the members of the Audit Committee in review of the financial results and certifications, representations and statements made by senior officials/management personnel of the Company in relation to these financial results. The Statutory Auditors have carried out a limited review of the above results.

Regulation 33(3)(b) of the SEBI LODR Regulations, 2015 provides that in case the listed entity has subsidiaries, in addition to the requirement at clause (a) of sub-regulation (3), the listed entity shall also submit quarterly year-to-date consolidated financial results. There are 23 (Twenty Three) subsidiaries of the Company. The responsibility towards preparation and presentation of subsidiary financials is that of the respective management, since the subsidiaries are separate legal entities. The RP has taken on record the said statement of Consolidated Financial results in good faith and only to the limited extent of compliance and discharging the powers of the Board of Directors of the Company which has been conferred upon him in terms of provisions of Section 17 of the Code.

3. The consolidated financial results of the Company 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 Group has continued to follow the same accounting policies in preparation of financial results statement for the quarter ended June 30, 2021 as followed in the previous financial year ended March 31, 2021.
5. The Auditors have expressed an Adverse Opinion on these Financial Results basis the following:
 - i. **Going Concern**
The financial results of the Group have been prepared on a going concern basis by the management. The Group has incurred a net loss increasing its negative retained earnings as at June 30, 2021, wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net-worth. The current liabilities substantially exceed the current assets and large sums of money are in dispute, which is not readily realisable. Further, the Company has disposed-off the substantial part of the Property, Plant and Equipment (PPE). As on June 30, 2021 the Company has only two non-operating dredgers at standalone level which have been arrested by operational creditors and are in the process of being sold under auction through orders of the respective Hon'ble High Courts. It may be further noted that in consonance with the stipulations



contained in Section 14 of the Code, a moratorium has been declared in the aforesaid order passed by the Hon'ble NCLT, inter alia, prohibiting the following:

- (i) the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or other in any court of law, tribunal, arbitration panel or other authority;
- (ii) transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
- (iii) any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- (iv) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable resolution plan by the prospective investor. Under the CIRP, a resolution plan needs to be presented to and approved by the COC and thereafter will need to be approved by the NCLT to keep the Company as a going concern. In view of the opinion of the Directors and KMPs, resolution and revival of the company is possible in the foreseeable future. Further the RP is required to make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern.

The management/RP of the Holding Company is of the view that they are making best efforts to achieve favourable order in ongoing litigations in order to protect the value of its assets and is making efforts to revive operations. As per rules and regulations of the Corporate Insolvency Resolution Process (CIRP) stipulated under the Insolvency and Bankruptcy Code, 2016, RP has invited Resolution Plans from the eligible Prospective Resolution Applicants (PRA). Further, the Company believes that the claims receivable for Rs.1,596 crore at the group level could, if realised, provide a reasonable sufficient opportunity for the repayment of loans from lenders and provide required resources for the development of business opportunities for the revival.

In view of the aforesaid details and pending outcome of the CIRP, the financial results of the Company have been prepared on going concern basis.

Under Ind AS 110, an entity shall not prepare its financial statements / financial results on a going concern basis if management determines after the reporting period date either that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to do so. All operations have ceased in the case of Indian Subsidiaries of the Company other than Mercator Petroleum Ltd and Mercator Oil and Gas Limited, while the coal business continues to generate revenues, the Singapore High Court has ordered a Liquidation of MIPL which is the beneficial owner of the coal business through its step-down subsidiaries. MCS holdings is also under liquidation. In all such cases, the financial statements / financial results are not available with the management of the Parent Company for the quarter ended June 30, 2021. Hence, in view of non-availability of liquidation values of assets and liabilities of such subsidiaries, the same are not stated at fair values.

- ii. As per the Code, the RP shall receive, collate and admit all the claims submitted by the creditors of the Company. The RP has admitted certain claims of the creditors and is in the process of collating and verifying remaining claims, and shall account for the verified claims against the Company as per the provisions of IBC 2016. The impact of the admitted claims has been considered in the preparation of the standalone financial results as on June 30, 2021. Pending admission of the remaining claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the aforesaid standalone financial results as on June 30, 2021.



At the standalone level, Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on ICD dates (Rs.920.49 crores). Total amount of claims towards principal dues of the financial creditors as on June 30, 2021 stand as under:

a.	Principal amount of Loans admitted by RP	920.49 crores
b.	Claims under verification by RP/Not filed	22.43 crores
	Total	942.92 crores*

*In addition, Contingent Claims arising out of Corporate Guarantee issued by the Company, has been admitted by RP for Bank of Baroda (Principal amount of Rs.95.29 crores plus Interest amount of Rs.37.17 crores aggregating to Rs.132.46 crores) and DBS Bank India Ltd. (Principal amount of Rs.21.66 crores and interest of Rs.2.08 crores aggregating to Rs.23.74 crores).

iii. In terms of Regulation 33(3)(h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The listed entity shall ensure that, for the purposes of quarterly consolidated financial results, at least eighty percent of each of the consolidated revenue, assets and profits, respectively, shall have been subject to audit / review or in case of unaudited results, subjected to limited review. The status of consolidation of financial results of all subsidiaries of the Company is as under:

- (a) In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) vide order of NCLT dated August 31, 2020, the financial statements / financial results / financial information of Mercator Petroleum Limited, one of the material subsidiaries of the Company for the quarter ended June 30, 2021 have not been made available to the Company by IRP of the said material subsidiary. In view of this, Balance Sheet values as on March 31, 2021 have been carried to June 30, 2021 for the purpose of preparing the Consolidated Financial Results of the Company for the quarter ended June 30, 2021.
- (b) In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) vide order of NCLT dated June 30, 2021, unsigned unaudited financial statements / financial results / financial information of Mercator Oil and Gas Limited, one of the material subsidiary of the Company for the quarter ended June 30, 2021 have been made available to the Company by IRP of the said material subsidiary and the same have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter ended June 30, 2021. The said financial information has neither been audited/reviewed nor has been certified by the management/IRP.
- (c) The financial statements / financial results / financial information of Oorja Resources India Pvt. Ltd, Mercator Offshore Logistics Pvt. Ltd. and Offshore Transport Pvt. Ltd. for the quarter ended June 30, 2021 have neither been certified by the management nor have been audited / reviewed and the same have been considered for the purpose of preparation of Consolidated Financial Results basis the financial information available with the Holding Company for the quarter ended June 30, 2021.
- (d) The financial statements / financial results / financial information of 4 nos. of Singapore subsidiaries i.e. Oorja 1 Pte. Ltd., Oorja Batua Pte. Ltd., Oorja Holdings Pte. Ltd. and Panther Resources Pte. Ltd. for the quarter ended June 30, 2021 have neither been certified by the management nor have been audited / reviewed and the same have been considered as provided by the liquidators of Mercator International Pte. Ltd., Singapore for the purpose of preparation of Consolidated Financial Results of the Company for the quarter ended June 30, 2021.
- (e) MCS Holdings Pte. Ltd. (in Liquidation) is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 16, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators of MCS Holdings Pte. Ltd. Financials Statements of MCS Holdings Pte Ltd. (MCS) (in liquidation) have not been provided to the Company by the liquidators of such subsidiaries. In view of this, Balance Sheet values as on March 31, 2021



have been carried to June 30, 2021 for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter ended June 30, 2021.

- (f) Mercator International Pte. Ltd. (in Liquidation) a material subsidiary of the Company at Singapore, is currently under liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators of Mercator International Pte. Ltd. Financials Statements of Mercator International Pte Ltd. (MIPL) (in liquidation) have not been provided to the Company by the liquidators of such subsidiaries. In view of this, Balance Sheet values as on March 31, 2021 have been carried to June 30, 2021 for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter ended June 30, 2021.
- (g) Financials Statements of rest of the Singapore subsidiaries/step down subsidiaries have not been made available to the Company. In view of this, Balance Sheet values as on March 31, 2021 or last available have been carried to June 30, 2021 for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter ended June 30, 2021.
- (h) Audited / Reviewed or management certified Financial Results of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the quarter and year ended June 30, 2021 have not been provided to the Parent Company and hence the Balance Sheet values as on December 31, 2020 (last available) have been carried to June 30, 2021 for the purpose of preparing the Consolidated Financial Results of the Company for the quarter ended June 30, 2021.

As none of the audited / reviewed Financial Statement / financial results / financial information of the Subsidiaries were available as on June 30, 2021, the Company could not comply with the aforesaid regulations.

Ind AS 110 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The Interim Resolution Professional (IRP) for the Indian Subsidiaries Mercator Petroleum Limited and Mercator Oil and Gas Limited have been providing business updates from time to time. Lenders of Mercator Petroleum Limited are also a part of the CoC of the Company by virtue of the Corporate Guarantee issued by the Company while there is a common lender of Mercator Oil and Gas Limited and the Company. The liquidators of MIPL who are also liquidators of MCS have been interacting with the Company and have provided the financial statements of holding companies of Indonesian Subsidiaries for the quarter ended June 30, 2021. In view of the management, the required level of control is available with the Company with respect to the subsidiaries/step down subsidiaries in India and overseas.

- iv. Interest or any other charges has not been accrued in the books of accounts of Holding Company from the date of commencement of CIR process, i.e. February 8, 2021 onwards, on account of moratorium under section 14 of Code. In view of this, no Finance Cost has been debited in the books of accounts of Holding Company during the quarter ended June 30, 2021.
- v. The Group has last carried out valuation of underlying investment in coal mining and logistic company situated in Indonesia for determining of fair valuation of these financial assets as per local regulations as on December 31, 2020. The Group has not recognized further reduction/increase in fair value of such financial instrument in the quarter ended June 30, 2021. The fair value as on June 30, 2021 can be substantially different in view of the valuation factors on account of sharp fall in coal prices, reduction in absolute realization of coal handling fees for one of major customer, cost of production and change in assumption of terminal value based on extension of mining license. The fair value can be substantially different in view of the valuation factors.
- vi. At standalone level, Non-Current Tax Assets as June 30, 2021 amount to Rs. 55.96 crore (net) includes Rs.69.19 crore which has not been settled due to on-going tax assessment for various Assessment Years



i.e. AY 2003-04 and from AY 2007-08 to AY 2015-16 against which net tax demand of Rs. 63.18 crore has been received and contested by the Company. The management is taking steps to resolve the cases with the income tax department.

- vii. Regarding Mercator Oil & Gas Limited ('MOGL'), a material subsidiary:
- a. MOGL was 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 initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed. The proceedings are underway. In addition to above, based on the order of Hon'ble Bombay High Court dated July 29, 2019, ONGC had invoked Bank Guarantee amounting to Rs. 142.19 crore which had been accounted in the books of the accounts of MOGL in the previous year. Based on the progress of the arbitration proceedings and discussion with the legal counsel, the management is hopeful of a positive outcome in the claim of INR 1,947 crores filed against ONGC. Accordingly, the Company made 50% impairment for the quarter ended June 30, 2021, for an amount of Rs. 0.71 crore towards accrued interest on loan given to MOGL and Rs. 0.00 crore towards amount advanced to MOGL.
 - b. Further, one of the operational creditors has filed petition u/s 9 of IBC 2016 wherein the NCLT bench had kept the status as "Reserved for Order. The said application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against the material subsidiary of the Company, Mercator Oil and Gas Limited (MOGL) was admitted vide the order of NCLT dated June 30, 2021 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions.
 - c. In terms of an update received from IRP, the arbitration tribunal has provided revised schedule of recording of evidence from October 18, 2021 to October 23, 2021 and final hearing from December 6, 2021 to December 11, 2021. Further, IRP has updated that the process of valuation is presently ongoing.
 - d. Pursuant to the public announcement dated June 30, 2021 in relation to invitation for submission of claims against MOGL, the Company has submitted its claim on MOGL for outstanding debt as on July 15, 2021 for a total claim of Rs.222.72 crores comprising of Term Loan for a total amount of Rs.94.21 crores and corporate guarantee issued to Axis Bank Ltd. (for and in behalf of MOGL) for a total amount of Rs.128.51 crores. The Company has received an acknowledgement of submission of claim from the IRP of MOGL who have informed that the Company being a related party of MOGL shall not have any right of representation, participation and voting in a meeting of the CoC. The IRP of MOGL have informed the Company that they shall not be able to admit the claim for the corporate guarantee since the same has not been enforced by Axis Bank Ltd. and also there is a moratorium on executing/enforcing the claim as per IBC on account of the Company being under CIR process. However, RP of the Company has requested that its claim for corporate guarantee be admitted since Axis Bank Ltd. can exercise the corporate guarantee any time going forward.
 - e. A claim of Rs.1,947 crore (USD 262 Mn) has been made by the subsidiary company on ONGC. In the view of the management and based on legal advice, an estimated amount of INR 1288 crores (USD 173.36 Mn) could probably be awarded as payable to the Company. However, any impact of the settlement will be known only after completion of the ongoing arbitration proceedings.
 - f. MOGL has an ongoing dispute with its consortium partner M/s Gulf Piping Co Ltd (GPC) and based on an order of the Abu Dhabi Court a final liability of USD 5.7Mn (Rs.43.05 crore) along with interest at 5% interest p.a. is payable to them. As informed, MOGL has filed scheme of arrangement in NCLT for deferring payment of all creditors and continues to consider the same as a contingent liability.



- viii. Regarding Mercator Petroleum Limited (MPL), a material subsidiary:
- a. In October, 2019, MPL has received notice of termination from the Ministry of Petroleum and Natural Gas (MOPNG) in compliance with Production Sharing Contract (PSC) for its non-operative oil Block (CB-3) and also 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 Directorate General of Hydrocarbon (DGH). In event of rejection of subsidiary's contention, estimated financial impact would be approx. Rs.35.80 Crore.
 - b. The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against one of the material subsidiaries of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order who has taken charge under the directions of the Committee of Creditors. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. In terms of the update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had floated an Expression of Interest and had received interest from Public and Private players in the process. The Request for Resolution Plans (RFRP) has been issued to the shortlisted Prospective Resolution Applicants (PRA) and they are required to submit their Resolution Plans in August 2021 as per the process laid down under the Code.
 - c. During the quarter ended June 30, 2021, the Company has provided additional impairment of Rs.1.17 crore towards accrued interest on loan to Mercator Petroleum Limited (MPL), Rs. 0.47 crore towards interest accrued on 6% optionally convertible debentures issued by MPL and Rs. 0.00 crore towards other receivables, on evaluating the developments.
- ix. All of the directors on the Board of the Company are disqualified from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
- x. Due to impediments created due to Covid lockdown, the Holding Company and some of its subsidiaries have been able to obtain selective confirmations from various debtors, loans and advances, from banks and others, current accounts from banks, trade and other payables. Accordingly, adjustments if any arising out of reconciliation with these parties is not readily available. The Company has carried out its internal assessment and provided/ written off/ back these receivables/ payables/ loans and advances, wherever necessary.
- xi. Compliance under section 134 and 149 of Companies Act 2013:
- a. In case of MPL, Independent Director, Chief Financial Officer and Company secretary had resigned during the year ended March 31, 2020. The management has not filled the said vacancy until date of reporting.
 - b. In case of MOGL, Independent Director had resigned during the year ended March 31, 2020. The management has filled the said vacancy. Mr. Jagmohan Talan and Mrs. Ritu Vats were appointed as Additional Directors (Non-Executive & Independent) of the Company with effect from September 26, 2020. Further, Mr. H K Mittal resigned as a director with effect from September 26, 2020 citing personal reasons.
- xii. The Segment reporting for the quarter ended June 30, 2021 may have information which may not be accurate on account of non-availability of certain financial statement / financial results / financial information of the subsidiaries.
- xiii. Based on the limited information available with respect to break-up of certain items of income/expenses/assets/liabilities of subsidiaries requiring elimination effect upon consolidation of financial statements, suitable assumptions based on past quarters have been made to provide such effects.



6. The Holding Company has an insurance claim amounting to Rs. 54.28 Crore, being the balance amount payable against a total loss claim (INR 225.29 crore) 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. In case of a material step-down subsidiary of the Company, PT Karya Putra Borneo (KPB) - Operating Coal mines in Indonesia, a minority shareholder had raised a frivolous claim with respect to the entire shareholding of the said subsidiary Company. The subsidiary has received favourable orders from the relevant Courts in this matter and the formalities for restoring the shareholding in the public records is in process, as per last update received.
8. Pursuant to the liquidation order in relation to the liquidation of Mercator Projects Pte. Ltd. (MPPL), an erstwhile subsidiary, the Company has filed its claim for outstanding debt of Rs.0.18 crores as on July 15, 2021 towards reimbursement of expenses.
9. During the previous year ended March 31, 2019, Credit Analysis & Research Limited (CARE) had downgraded the rating assigned to the Holding Company, MOGL and MPL for short term credit facilities from CARE A4 to CARE D, which was again revised on July 11, 2019 from CARE D to CARE D (ISSUER NOT COOPERATING).

Further, in respect of Loans outstanding aggregating to Rs. 1614.02 crore as on June 30, 2021 the Group has during the quarter, committed breach of financial covenants including default in interest and instalment payments due to various Banks / financial institutions which are still continuing resulting in several banks / FIs recalling their loans in the previous year(s).

10. Promoters and Promoter Groups have sold 1,12,48,321 during the quarter ended June 30, 2021. This has brought down the shareholding of the promoters in the Company to 7.11% as on June 30, 2021.
11. The Holding Company had entered into settlement agreements with approval of NCLT with few operational creditors amounting to Rs.3.94 crore out of which only Rs. 1.57 crore had been honoured and the balance commitment is yet to be discharged by the Company.
12. One of the vessels of the Company, "Prem Mala" was arrested and sale proceedings were initiated by Hon'ble High Court of Bombay during the previous year ended March 31, 2020. During the quarter ended June 30, 2020, the vessel was auctioned by the lender through court auction procedure. During the quarter ended September 30, 2020, New Mangalore Port Trust (NMPT) sold the beached dredger 'Bhagwati Prem' under e-auction by exercising the powers vested with NMPT under Section 42 of the Indian Ports Act, 1908 to recover their dues. During the quarter ended March 31, 2021, dredger 'Vivek Prem' was sold under court auction order of Hon'ble Gujarat High Court. Further, there are only two non-operational dredgers 'Darshini Prem' and 'Yukti Prem' with the Company, which were fully impaired in previous year and are carried at realisable scrap value in the books of accounts. Darshini Prem is under arrest by a few operational creditors, crew and port authorities. The cases filed against Darshini Prem in High court of Andhra Pradesh was listed on July 1, 2021 in which the Court has ordered the sale of the dredger and fixed the Reserve Price at Rs.12 crores and publication of the auction is to be made by August 5, 2021. The bids shall be submitted by the interested parties till August 20, 2021 and opening of the bids is on September 2, 2021. The successful bidder shall pay for the complete bid amount on or before September 16, 2021. The dredger 'Yukti Prem' has been under arrest by an Operational Creditor. The matter was last listed on July 8, 2021 before the High Court of Kerala at Ernakulam. The counsel of RP appeared before the Court and submitted that it has no objection to the sale. Accordingly, the Court ordered the sale of the dredger to be made on August 27, 2021.

On account of this, there is no depreciation charge on PPE in the quarter ended June 30, 2021 with respect to PPE.

13. The office premise of the Company was charged to the lender of Mercator Petroleum Limited. On account of the possession notice received under Section 13 (4) of Securitization and Reconstruction of Financial Assets and read with Rule 8 of Enforcement of Security Interest (Second) Act, 2002, the symbolic possession



of the office premises has been obtained by the said lender on September 9, 2020. The enforcement of security has been on account of default in repayment of debt by a material subsidiary of the Company.

As on the reporting date, only symbolic possession has been obtained and the Company continues to operate from the premises, hence the same continue to be categorised as property, plant and equipment of the Company and accordingly the depreciation for the period has been charged to the Statement of Profit & Loss. Necessary adjustments, if any, in the books of accounts will be done once the actual control over the office premises will be passed to the Bank.

14. One of the financial lenders of the Wholly Owned Foreign Subsidiary had recalled loan in the month of May 2019 and further to that, have filed case in Singapore High Court for recovery of their outstanding dues. The said subsidiary is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators.
15. The Company Secretary of the Holding company has resigned dated July 23, 2019 and until date of reporting, said appointment is yet to be completed.
16. Pursuant to the requirement of Listing Regulation, the Group has not appointed one of the Independent Director of Holding Company on the board of the material subsidiaries incorporated in India and Outside India. In case of PT Karya Putra Borneo, due to litigation and block of corporate profile, unless MoLHR allowed, such change of Constitutional Documents is not permitted based on the last update available with the Company.
17. As on June 30, 2021, following step down subsidiaries are under – going process of voluntary liquidation, which was initiated in earlier years, and liquidator had been appointed under applicable laws–
 - a. Mercator Energy Pte Ltd (the company is a plaintiff for case filed by ICICI bank Limited at Singapore being guarantor and company has informed to court for its voluntary liquidation. Final observation of High Court of Singapore on the same is pending).
 - b. Mercator Offshore (P) Pte Ltd (company has also withdrawn scheme of arrangement filed for payment of creditors linked with contingency outcome of SSCP arbitration)
 - c. Mercator Offshore Asset Holdings Pte Ltd
 - d. Marvel Value International Limited, British Virgin Island.
18. During the previous year ended March 31, 2021, the Company has received letter from the National Stock Exchange of India Limited (“NSE”) citing non – compliance of the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires that the board of directors shall comprise of not less than six directors. The Company had then made submission to NSE stating that there were 5 directors on the Board of Company including a woman director. It was also informed that the strength of independent directors is more than the executive directors and the Company is making best efforts to be compliant of the regulation.

Mrs. Ritu Vats has tendered her resignation vide email dated June 19, 2021 and Mr. Jagmohan Talan, tendered his resignation vide email dated June 21, 2021 as Independent Directors of the Company with effect from June 19, 2021 and June 21, 2021 respectively citing personal reasons.

Mr. Sukhdarshan Singh Bedi, tendered his resignation vide email dated June 28, 2021 as Independent Director of the Company with effect from June 28, 2021 citing personal reasons.

Mr. Shalabh Mittal tendered his resignation vide email dated June 21, 2021 as Chief Executive Officer and Key Managerial Personnel of the Company with effect from June 21, 2021 citing personal reasons.



However, the company is currently undergoing the Corporate Insolvency Resolution Process and the acceptance of the resignations tendered by the directors is subject to the relevant provisions of the Insolvency and Bankruptcy Code, 2016.

In the meeting of the Committee of Creditors (CoC) held on July 28, 2021, it was decided that since, the resignation of directors is governed by the Articles of Association of the Company and the CoC cannot have any role in the same. It was then decided that the RP should approach the directors again and request them to reconsider their decision.

Accordingly, on making request to the Directors, Mrs. Ritu Vats and Mr. Jagmohan Talan have withdrawn their respective resignations and decided to continue as Independent Directors of the Company vide their emails dated August 11, 2021. However, Mr. Sukhedarshan Singh Bedi, tendered his resignation vide email dated August 11, 2021 and Mr. Shalabh Mittal, Chief Executive Officer of the Company who had tendered his resignation earlier, has been considered and taken on record at the meeting held on August 12, 2021.

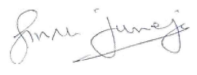
19. The results for the quarter ended June 30, 2021 are available on the BSE Ltd website www.bseindia.com, National Stock Exchange of India Limited website www.nseindia.com and the Company's website www.mercator.co.in
20. The figures for the quarter ended March 31, 2021 are balancing figure between audited figures in respect of full financial year and published year to date figure up to the third quarter of the financial year.
21. Figures of previous periods have been regrouped / reclassified wherever necessary to conform to current period classification.

For **MERCATOR LIMITED**


H K MITTAL
Whole-time Director


RAJENDRA KOTHARI
Chief Financial Officer

Taken on Record


Girish Siriram Juneja
Resolution Professional

(Powers of the Board are Suspended from the Insolvency Commencement Date)

Place: Mumbai

Date: August 12, 2021



Independent Auditor's Limited review report on Unaudited Quarter ended Standalone Financial Results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**To
The Resolution Professional
In the matter of Mercator Limited**

IBBI Reg. No.: IBBI/IPA-001/IP-P00999/2017-2018/11646

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Mercator Limited** ("the Company") for the quarter ended June 30, 2021 ("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.

The Hon'ble National Company Law Tribunal, Mumbai (NCLT) had admitted the petition of Financial Creditor under Insolvency and Bankruptcy Code (IBC) 2016 vide its Order dated February 8, 2021. As per Section 17 of the IBC, the powers of the Board of Directors of the Company has been suspended and such powers have been vested with Mr. Girish Siriram Juneja as the Interim Resolution Professional (hereinafter referred as "RP"), by the NCLT vide its aforesaid order to manage the affairs of the Company as per the provisions of IBC. The Committee of Creditors (CoC) confirmed Mr Juneja as the Resolution Professional (RP) at its meeting held on March 10, 2021

2. This Statement, which is the responsibility of the Company's management and considered and taken on record by the RP, 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 ("the Act") and as per the presentation requirement of the SEBI circular CIR/CFD/FAC/62/2016 dated July 5, 2016 (hereinafter referred to as "the SEBI Circular") 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 Adverse Opinion

We draw attention to –

- a. Note No.5(i) regarding preparation of the statement on a going concern basis. The Company's financing arrangements have expired and substantial amounts have been recalled and are due and payable as on June 30, 2021. Besides the NCLT has admitted the petition of the Financial Creditors vide its Order dated February 8, 2021 and proceedings under the IBC have been initiated on the company. 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, along with inability to meet its current liabilities which substantially exceeds its current assets. The Company had substantially disposed-off its Property, Plant and Equipment and currently doesn't have significant operating revenue and operating assets. Further, the management has not shared a revival plan for the company to continue as a going concern and hence in the absence of the same we conclude that the going concern assumption has been vitiated. The Financial Results have however been prepared on a going concern basis by the management.
- b. Note No. 5(ii), regarding the balances restated in the books of accounts pursuant to admission of the claims submitted by the financial creditors, of which Rs. 22.43 crore is still under verification/not filed with Resolution Professional (RP). We are unable to comment on the financial impact of the same on the financial results of the Company.
- c. Note No. 5(iii), regarding interest or any other charges not being accrued in the books of accounts from the date of commencement of CIR process, i.e. February 8, 2021 onwards, on account of moratorium under section 14 of Code.
- d. Note No. 5(iv), regarding the Company's investments in its wholly owned foreign subsidiary Mercator International Pte Ltd. (MIL) which was been impaired in full amounting to Rs. 420.43 crore (excluding investment in equity shares – Rs. 0.29 crore) during the previous year. The significant investment of MIL is in its coal mines and related infrastructure in Indonesia and the valuation of these assets was conducted on December 31, 2020 by an independent valuer, and the same has been considered as on June 30, 2021. Further, we have been informed by the management that a liquidator has been appointed on MIL effective April 9, 2021 and no financial statement / financial results / financial information of MIL is being made available to the Company. In view of the non – availability about the information about the fair value of assets and liabilities of MIL and the impact on the valuation had the same been done as on June 30, 2021 or the financial statements as on the reporting date, we are unable to comment on the value or recoverability of the said investment in subsidiary.
- e. Note No. 5(v), 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, which are treated as contingent liabilities. In the absence of the required supporting documents justifying the stand of the Company we are unable to comment on final outcome of such assessments and the potential financial impact of the same.
- f. Note No. 5(vi), 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 in equity amounting to Rs. 0.15 crore, which has been fully impaired in previous years and loans amounting to Rs. 94.21 crore (which includes un-serviced interest amounting to Rs. 28.72 crore, excluding impairment of Rs. 36.41 crore), and the balance as per the financial results net of impairment amounts to Rs. 57.80 crore as at June 30, 2021 in MOGL, which in the view of the management is recoverable. The petition filed in NCLT, Mumbai Bench by an operational creditor against MOGL was admitted vide Order dated June 30, 2021 and an Interim Resolution Professional (IRP) has been appointed. The unaudited financial statements / financial information available with the management / RP is not certified by the management / IRP of MOGL as on June 30, 2021. In view of the pending outcome of the arbitration and non – availability of substantive documentation about the expected recovery or the financial statements of the Company as on June 30, 2021, we are unable to comment on the recoverability of such investment and loan amount.
- g. Note No. 5(vii), regarding the Company's investments in its Indian subsidiary Mercator Petroleum Ltd. (hereinafter referred to as "MPL") amounting to Rs. 47.93 crore, (excluding impairment of Rs. 16.17 crore) and loan (including Debentures) given amounting to Rs. 115.92 crore (including un-serviced interest of Rs. 44.26 crore and excluding impairment of Rs. 17.68 crore) as on June 30, 2021, and the balance as per the financial results including investments and loans amounts to Rs. 130 crore, which are considered recoverable. Further, the petition filed in NCLT, Mumbai Bench by an operational creditor against MPL was admitted vide Order dated August 31, 2020 and an Interim Resolution Professional (IRP) has been appointed. We have been informed by the management / RP that no financial statement / financial results / financial information of MPL as on June 30, 2021 is being made available to the Company. In the view of non – availability of any financial information, we are unable to obtain sufficient appropriate evidence about the recoverability of such investment and loan given.
- h. Note No. 5(viii), regarding the fact that the Financial Statement / Financial Information of certain material subsidiaries / step – down subsidiaries are not available and for few which are available with management / RP has neither been reviewed by the auditor of the respective company nor has been certified by the management of the respective company. We are unable to obtain sufficient appropriate evidence about the recoverability of such investments and loans given.
- i. Note No. 5(ix), regarding balance confirmations not been received in respect of certain secured / unsecured loans, trade receivables, trade and other payables, and loans and advances as a result of which reconciliation process and consequential adjustments, if any, has not been carried out. The Company has adjusted / provided significant amounts basis its internal estimates, against which necessary supporting documentation has not been made available to us.
- j. Note No. 5(x), the Company has failed to pay the installment due of the debentures on the due date and failed to pay the interest due thereon for a continuous period of more than a year. Hence, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.

Adverse Conclusion

5. Based on our review conducted as above, we report that due to the significance of the matters stated in para 4 "Basis for Adverse Conclusion", we have come to the conclusion that the Statement is not prepared fairly in material respect in accordance with aforesaid Indian Accounting Standards and other recognized accounting practices and policies



generally accepted in India and has not disclosed fairly the information required to be disclosed in terms of the SEBI Circular.

6. Emphasis of Matter

We draw attention to –

- a. Note No. 9, 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 is under litigation and 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 matter.

Other Matters

7. The comparative figures included in the financial results for the quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of the financial year ended March 31, 2021 and the published unaudited year to date figures up to the third quarter of the previous financial year, which are neither subject to limited review nor audited by us.

Our conclusion is not modified in respect of the aforementioned matter.

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

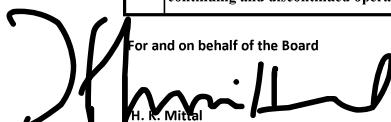


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S. Chandrasekhar
Partner
Membership No. 007592

Place: Mumbai
Dated: August 12, 2021
UDIN: 21007592AAAAAQ9128

<p style="text-align: center;">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 Ended June 30, 2021</p>				
(Rs. in crore)				
Particulars	Standalone			
	Quarter Ended		Year Ended	
	30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
	Unaudited	Refer Note No 20	Unaudited	Audited
1 Income				
(a) Revenue from operations	-	(1.45)	-	6.85
(b) Other income	3.12	4.19	9.85	33.65
Total Income	3.12	2.74	9.85	40.50
2 Expenses				
(a) Cost of services rendered	-	1.95	0.93	14.78
(b) Employee benefits expense	0.09	0.20	1.11	2.88
(c) Finance costs	-	58.42	48.77	210.12
(d) Depreciation and amortisation	0.02	0.03	0.03	0.12
(e) Impairment Losses (net of reversals)	2.36	(2.32)	3.52	11.64
(f) Loss on Sale / Discard of Property, Plant and Equipment	-	2.24	-	2.26
(g) Other expenses	0.75	0.79	1.77	2.47
Total expenses	3.22	61.31	56.13	244.27
3 Profit/(loss) from operations before exceptional items and tax (1-2)	(0.10)	(58.57)	(46.28)	(203.77)
4 Exceptional items		-	-	-
5 Profit/(loss) before tax from Continuing Operations (3 + 4)	(0.10)	(58.57)	(46.28)	(203.77)
6 Tax expense				
Current tax (including earlier year adjustment)	1.12	(9.35)	-	(9.35)
Deferred tax (net)	-	-	-	-
7 Net profit/(loss) after tax from Continuing Operations (5 - 6)	1.02	(67.92)	(46.28)	(213.12)
Discontinued Operation				
Net profit/(loss) before tax from discontinued Operation	-	-	-	-
Tax (expenses) / benefit of discontinued operation	-	-	-	-
8 Net profit/(loss) after tax from Discontinued Operation				
9 Net profit/(loss) after tax	1.02	(67.92)	(46.28)	(213.12)
10 Items that will not be reclassified to statement of profit and loss				
Remeasurement gains /(loss) of defined benefit plans	-	-	-	-
Total Other comprehensive income /(loss)		-		-
11 Total comprehensive income /(loss) for the period/year (comprising profits and other comprehensive income for the period/year) (9+10)	1.02	(67.92)	(46.28)	(213.12)
12 Paid up equity share capital (FV of Re.1 per share)	30.25	30.25	30.25	30.25
13 Basic and Diluted earnings per equity share from continuing operation	0.03	(2.25)	(1.53)	(7.05)
14 Basic and Diluted earnings per equity share from discontinued operation	-	-	-	-
15 Basic and Diluted earnings per equity share from continuing and discontinued operation	0.03	(2.25)	(1.53)	(7.05)

For and on behalf of the Board

H. R. Mittal
Whole-time Director
(DIN:00007690)

Powers of the Board are Suspended from the Insolvency Commencement date


Rajendra Kothari
Chief Financial Officer


Taken on record by
Girish Siriram Juneja
Resolution Professional for
Mercator Limited
(IBBI/IPA001/IP-P00999/2017-2018/11646)

Place: Mumbai
Date: 12 August 2021



MERCATOR LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30,
2021

1. A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Pursuant to the order, the powers of the Board of Directors stands suspended and are vested with Mr. Girish Siriram Juneja, who had been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC).
2. The standalone financial results of Mercator Limited (hereinafter referred as "the Company") for the quarter ended June 30, 2021 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors chaired by the Resolution Professional (RP) held on August 12, 2021. The RP with the assistance of the management and Chief Financial Officer of the Company has made all practical and reasonable efforts to prepare the results for the quarter ended June 30, 2021. In drawing up the accounts of the quarter ended June 30, 2021, the RP has relied upon the Audited Opening Balance Sheet numbers as of April 1, 2021, as provided by the suspended board of directors and taken on record by RP. These results have been prepared with the same 'Basis of Preparation' as adopted by the erstwhile board of directors as prescribed under the Companies Act, 2013 and related regulations. The RP has relied upon the assistance provided by the members of the Audit Committee in review of the financial results and certifications, representations and statements made by Director of the Company in relation to these financial results. As authorised, Director and Chief Financial Officer of the Company have signed the financial results and the RP has taken on record the said statement of financial results. The Statutory Auditors have carried out a limited review of the above results..
3. The financial results of the Company 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 Company has continued to follow the same accounting policies in preparation of financial results for the quarter ended June 30, 2021 as followed in the previous financial year ended March 31, 2021.
5. The Auditors have expressed an Adverse Opinion on these Financial Results basis the following:
 - i. **Going Concern**

The financial results of the Company have been prepared on a going concern basis by the management. The company has incurred a net loss increasing its negative retained earnings as at June 30, 2021, wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net-worth. Further, the Company had since disposed-off the substantial part of the Property, Plant and Equipment (PPE). As on June 30, 2021 the Company has only two non-operating dredgers which have been arrested by operational creditors and are in the process of being sold under auction through orders of the respective Hon'ble High Courts. The current liabilities substantially exceed the



current assets and large sums of money receivable are in dispute, which is not readily realisable. As referred to in point #1, CIRP has been initiated by Hon'ble NCLT, Mumbai. It may be further noted that in consonance with the stipulations contained in Section 14 of the Code, a moratorium has been declared in the aforesaid order passed by the Hon'ble NCLT, inter alia, prohibiting the following:

- a. the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or other in any court of law, tribunal, arbitration panel or other authority;
- b. transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
- c. any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- d. the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable resolution plan by the prospective investor. Under the CIRP, a resolution plan needs to be presented to and approved by the COC and thereafter will need to be approved by the NCLT to keep the Company as a going concern. In view of the opinion of the Directors and KMPs, resolution and revival of the company is possible in the foreseeable future. Further the RP is required to make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern.

The management / RP is of the view that they are making best efforts to achieve favourable order in ongoing litigations in order to protect the value of its assets and is making efforts to revive operations. As per rules and regulations of the Corporate Insolvency Resolution Process (CIRP) stipulated under the Insolvency and Bankruptcy Code, 2016, RP has invited Resolution Plans from the eligible Prospective Resolution Applicants (PRA). Further, the Company believes that the claims receivable for Rs.1,596 crore at the group level could, if realised, provide a reasonable sufficient opportunity for the repayment of loans from lenders and provide required resources for the development of business opportunities for the revival.

In view of the aforesaid details and pending outcome of the CIRP, the financial results of the Company have been prepared on going concern basis.

- ii. As per the Code, the RP has to receive, collate and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the COC. The RP is still in the process of collating and verifying such claims, as and when they are received, and shall subsequently admit such verified claims against the Company as per the Code. Pending admission of the claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the financial results.



Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on Insolvency Commencement Date ("ICD date") (Rs. 920.49 crore). Total amount of claims towards principal dues of the financial creditors as on June 30, 2021 stand as under:

a.	Principal amount of Loans admitted by RP	920.49 crore
b.	Claims under verification by RP/Not filed	22.43 crore
	Total	942.92 crore*

*In addition, Contingent Claims arising out of Corporate Guarantee issued by the Company, has been admitted by RP for Bank of Baroda (Principal amount of Rs.95.29 crores plus Interest amount of Rs.37.17 crore aggregating to Rs. 132.46 crore) and DBS Bank India Ltd. (Principal amount of Rs. 21.66 crore and interest of Rs. 2.08 crore aggregating to Rs. 23.74 crore).

- iii. Interest or any other charges has not been accrued in the books of accounts from the date of commencement of CIR process, i.e. 8th February, 2021 onwards, on account of moratorium under section 14 of Code. In view of this, no Finance Cost has been debited in the books of accounts of the Company at standalone level during the quarter ended June 30, 2021.
- iv. The Company had impaired investment amounting to USD 56.55 million in Non-Cumulative Redeemable Preference Shares (NCRPS) of its wholly owned subsidiary Mercator International Pte Ltd, Singapore (MIPL) in previous year. The step-down Subsidiary Company had last carried out valuation of coal business taking cut-off date December 31, 2020 for the purpose local reporting requirement and the same has been considered for financial reporting as on June 30, 2021 as well. However, due to on-going events such as commencement of liquidation proceedings in Mercator International Pte. Ltd (MIPL), Singapore with effect from April 9, 2021 and non-availability of financial statements / financial results / financial information of step down coal subsidiaries at Indonesia for the year ended March 31, 2021 and quarter ended June 30, 2021, any impact on the valuation is not known as on the date. The coal business is housed in companies which are a subsidiary of MIPL and given the fact that a liquidation has been ordered in case of MIPL by the High Court of the Republic of Singapore, the coal business will be monetized by the liquidator of MIPL or the receiver appointed by the financial creditor with whom the shares of the subsidiary owning the coal business have been pledged, as the case may be. The residual value, if any, after settling the debts of the financial and other creditors would be available for redemption of the NCRPS of MIPL held by Mercator Limited.
- v. Non-Current Tax Assets as June 30, 2021 amount to Rs.55.96 crore (net) includes Rs. 69.19 crore which has not been settled due to on-going tax assessment for various Assessment Years i.e. AY 2003-04 and from AY 2007-08 to AY 2015-16 against which net tax demand of Rs.63.18 crore has been received and contested by the Company. The management is taking steps to resolve the cases with the income tax department.
- vi. Mercator Oil & Gas Limited ('MOGL'), a subsidiary of the Company was 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 work. MOGL has since initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed. The proceedings are underway. In addition to above, based on the order of Hon'ble Bombay High Court dated July 29, 2019, ONGC had invoked Bank Guarantee amounting to Rs.142.19 crore which had been accounted in the books of the accounts of MOGL in the quarter ended June 30, 2019. Based on the progress of



the arbitration proceedings and discussion with the legal counsel, the management is hopeful of a positive outcome in the claim of INR 1,947 crore filed against ONGC. Accordingly, the Company made 50% impairment for the quarter ended June 30, 2021, for an amount of Rs. 0.71 crore towards accrued interest on loan given to MOGL and Rs. 0.00 crore towards amount advanced to MOGL. Out of the total outstanding loan of Rs. 94.21 crore, unimpaired amount as on June 30, 2021 is Rs. 57.80 crore after considering a provision for impairment of Rs. 36.41 crore.

Further, one of the operational creditors has filed petition u/s 9 of IBC 2016 wherein the NCLT bench had kept the status as "Reserved for Order". The said application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against the material subsidiary of the Company, Mercator Oil and Gas Limited (MOGL) was admitted vide the order of NCLT dated June 30, 2021 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions.

In terms of an update received from IRP, the arbitration tribunal has provided revised schedule of recording of evidence from October 18, 2021 to October 23, 2021 and final hearing from December 6, 2021 to December 11, 2021. Further, IRP has updated that the process of valuation is presently ongoing.

Pursuant to the public announcement dated June 30, 2021 in relation to invitation for submission of claims against MOGL, the Company has submitted its claim on MOGL for outstanding debt as on July 15, 2021 for a total claim of Rs. 222.72 crores comprising of Term Loan for a total amount of Rs. 94.21 crores and corporate guarantee issued to Axis Bank Ltd. (for and in behalf of MOGL) for a total amount of Rs. 128.51 crores. The Company has received an acknowledgement of submission of claim from the IRP of MOGL who have informed that the Company being a related party of MOGL shall not have any right of representation, participation and voting in a meeting of the CoC. The IRP of MOGL have informed the Company that they shall not be able to admit the claim for the corporate guarantee since the same has not been enforced by Axis Bank Ltd. and also there is a moratorium on executing/enforcing the claim as per IBC on account of the Company being under CIR process. However, RP of the Company has requested that its claim for corporate guarantee be admitted since Axis Bank Ltd. can exercise the corporate guarantee any time going forward.

A claim of Rs. 1,947 crore (USD 262 Mn) has been made by the subsidiary company on ONGC. In the view of the management and based on legal advice, an estimated amount of INR 1288 crore (USD 173.36 Mn) could probably be awarded as payable to the Company. However, any impact of the settlement will be known only after completion of the ongoing arbitration proceedings.

- vii. The Company has receivable towards loan given of Rs. 84.31 crore (including debentures) to Mercator Petroleum Limited (MPL) as on June 30, 2021, against which impairment of Rs. 17.67 crore has been created and balance outstanding as on June 30, 2021 is Rs. 66.64 crore. During the quarter ended June 30, 2021, the Company has provided additional impairment of Rs. 1.17 crore towards accrued interest on loan to Mercator Petroleum Limited (MPL), Rs. 0.47 crore towards interest accrued on 6% optionally convertible debentures issued by MPL and Rs. 0.00



crore towards amount advanced to MPL (other receivables), on evaluating the following criteria –

- a. In October, 2019, MPL has received notice of termination from the Ministry of Petroleum and Natural Gas (MOPNG) in compliance with Production Sharing Contract (PSC) for its non-operative oil Block (CB-3) and also has demanded costs and other dues to be determined as per terms and conditions of PSC. The management of MPL and the Company is confident of defending the amounts claimed by Directorate General of Hydrocarbon (DGH). In event of rejection of subsidiary's contention, estimated financial impact on the Company would be approx. Rs. 35.80 crore.
 - b. The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against one of the material subsidiary of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order who has taken charge under the directions of the Committee of Creditors. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. In terms of the update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had floated an Expression of Interest and had received interest from Public and Private players in the process. The Request for Resolution Plans (RFRP) has been issued to the shortlisted Prospective Resolution Applicants (PRA) and they are required to submit their Resolution Plans in August 2021 as per the process laid down under the Code.
- viii. Non – receipt of Audited / Reviewed or management certified Financial Statements / financial results / financial information from subsidiaries (Step – down subsidiaries)

Indian Subsidiaries –

In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) vide order of NCLT dated August 31, 2020, the financial statements / financial results / financial information of Mercator Petroleum Limited, one of the material subsidiaries of the Company for the quarter ended June 30, 2021 have not been made available to the Company by IRP of the said material subsidiary. In view of this, Balance Sheet values as on March 31, 2021 have been carried to June 30, 2021 for the purpose of preparing the Consolidated Financial Results of the Company for the quarter ended June 30, 2021.

In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) vide order of NCLT dated June 30, 2021, unsigned unaudited financial information of Mercator Oil and Gas Limited, one of the material subsidiary of the Company for the quarter ended June 30, 2021 have been made available to the Company by IRP of the said material subsidiary and the same have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter ended June 30, 2021. .



The financial statements / financial results / financial information of Oorja Resources India Pvt. Ltd, Mercator Offshore Logistics Pvt. Ltd. and Offshore Transport Pvt. Ltd. for the quarter ended June 30, 2021 have neither been certified by the management, have not been audited / reviewed and the same have been considered for the purpose of preparation of Consolidated Financial Results basis the financial information available with the Holding Company for the quarter ended June 30, 2021.

Overseas Subsidiaries –

Financials Statements of 4 nos. of Singapore subsidiaries i.e. Oorja 1 Pte. Ltd., Oorja Batua Pte. Ltd., Oorja Holdings Pte. Ltd. and Panther Resources Pte. Ltd. for the quarter ended June 30, 2021 have not been certified by the management, have not been audited / reviewed and the same has been considered as provided by the liquidators of Mercator International Pte. Ltd., Singapore for the purpose of preparation of Consolidated Financial Results of the Company for the quarter ended June 30, 2021.

MCS Holdings Pte. Ltd. (In Liquidation) is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 16, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators of MCS Holdings Pte. Ltd. Financials Statements of MCS Holdings Pte Ltd. (MCS) (in liquidation) have not been provided to the Company by the liquidators of such subsidiaries. In view of this, Balance Sheet values as on March 31, 2021 have been carried to June 30, 2021 for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter ended June 30, 2021.

Mercator International Pte. Ltd. (In Liquidation) a material subsidiary of the Company at Singapore, currently under liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators of Mercator International Pte. Ltd. Financials Statements of Mercator International Pte Ltd. (MIPL) (in liquidation) have not been provided to the Company by the liquidators of such subsidiaries. In view of this, Balance Sheet values as on March 31, 2021 have been carried to June 30, 2021 for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter ended June 30, 2021.

Financials Statements of rest of the Singapore subsidiaries/step down subsidiaries have not been made available to the Company. In view of this, Balance Sheet values as on March 31, 2021 have been carried to June 30, 2021 for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter ended June 30, 2021.

Audited / reviewed or management certified Financial Statements / financial results / financial information of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the quarter ended June 30, 2021 have not been provided to the Parent Company and hence the Balance Sheet values as on December 31, 2020 (last available) have been carried to June 30, 2021 for the purpose of preparing the Consolidated Financial Results of the Company for the quarter ended June 30, 2021.

- ix. The Company has been able to obtain only a few confirmations from various debtors, loans and advances from banks and others, current accounts from banks, trade and other payables



account of ongoing lockdown situation resulting from the ongoing Covid-19 pandemic. Accordingly, adjustments if any arising out of reconciliation with these parties is not readily available. The Company has carried out its internal assessment and accordingly provided/ written off/ back certain receivables/ payables/ loans and advances.

- x. All of the directors on the Board of Directors of the Company are disqualified as on June 30, 2021 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
- 6. In case of a material step-down subsidiary of the Company, PT Karya Putra Borneo (KPB) - Operating Coal mines in Indonesia, a minority shareholder had raised a frivolous claim with respect to the entire /shareholding of the said subsidiary Company. The subsidiary has received favourable orders from the relevant Courts in this matter and the formalities for restoring the shareholding in the public records is in process as per last update received. This step-down subsidiary is held through MIPL, which has been substantially impaired in the books of accounts.
- 7. Pursuant to the liquidation order in relation to the liquidation of Mercator Projects Pte. Ltd. (MPPL), a subsidiary, the Company has filed its claim for outstanding debt of Rs.0.18 crores as on July 15, 2021 towards reimbursement of expenses.
- 8. During the previous year ended March 31, 2020, the subsidiary companies namely Mercator Oil and Gas Limited (MOGL) and Mercator Petroleum Limited (MPL) had approached the Company for seeking waiver in charging interest on loan and debenture outstanding in respective companies on account of contingencies in case of arbitration claim of ONGC and delayed realisation and completion of sale of oil blocks respectively. Based on approval by the Board of Directors of the Company and subsequent approval of members of the Company accorded in its annual general meeting held on December 29, 2020, under Section 186 and other applicable provisions of the Companies Act, 2013 and all other applicable laws and regulations, the modification/variation in the terms of loans has been as under:
 - (i) The repayment of loans to MOGL and MPL along with accrued interest thereon, have an extended bullet repayment due date of on or before 30th June 2022. All other terms and conditions of the loans remain unchanged;
 - (ii) The accrued interest on 6% Optionally Convertible Debentures issued by MPL in various tranches have an extended bullet repayment due date of on or before 30th June 2022. All other terms and conditions of the 6% Optionally Convertible Debentures including due date of redemption remain unchanged;
 - (iii) The board and shareholders have approved that the defaults by MOGL and MPL in repayment of loans along with accrued interest thereon and default by MPL in payment of accrued interest on 6% Optionally Convertible Debentures as on 31st March 2020 and thereafter should not been considered and recognized as an event of default (EOD) and communication with respect to recognition of EOD, if any, made in the past in this regard is waived.

The Company continues to maintain its claim of interest and hence has accounted for interest from its subsidiaries amounting to Rs.3.07 crore during the quarter ended June 30, 2021 (Rs. 12.15 crore for the year ended March 31, 2021) and consequently impaired amounting to Rs.2.36 crore



(Rs.9.32 crore for the year ended March 31, 2021), based on the assessment of the financial position of the subsidiaries.

9. The Company has an insurance claim amounting to Rs.54.28 Crore, being the balance amount payable against a total loss claim (INR 225.29 crore) 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.
10. The outbreak of Coronavirus (COVID-19) pandemic disrupted the Operations of the Company since end March, 2020. The Government of India ordered a nationwide lockdown to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. The Company had adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with maintaining social distancing, sanitization of work spaces etc. The extent and duration of COVID-19 is currently unknown and depends on future developments that are uncertain. Any resultant outcome and impact on business, due to this is unpredictable. In assessing the recoverability of Company's assets such as Investment, Loans and other receivables, the management has used internal and external source of information up to the date of approval of these financial results. Given the uncertainties, the impact of COVID-19 may be different from that estimated as at the date of approval of these financial results, and the Company will continue to closely monitor the developments.
11. During the year ended March 31, 2019, 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 July 11, 2019 from CARE D to CARE D (ISSUER NOT COOPERATING).
12. Promoters and Promoter Groups have sold 9,31,725 No. of shares during the period ended March 31, 2021 and a further 1,12,48,321 during the quarter ended June 30, 2021. This has brought down the shareholding of the promoters in the Company to 7.11% as on June 30, 2021.
13. One of the vessels of the Company, "Prem Mala" was arrested and sale proceedings were initiated by Hon'ble High Court of Bombay during the previous year ended March 31, 2020. During the quarter ended June 30, 2020, the vessel was auctioned by the lender through court auction procedure. During the quarter ended September 30, 2020, New Mangalore Port Trust (NMPT) sold the beached dredger 'Bhagwati Prem' under e-auction by exercising the powers vested with NMPT under Section 42 of the Indian Ports Act, 1908 to recover their dues. During the quarter ended March 31, 2021, dredger 'Vivek Prem' was sold under court auction order of Hon'ble Gujarat High Court. Further, there are only two non-operational dredgers 'Darshini Prem' and 'Yukti Prem' with the Company, which were fully impaired in previous year and are carried at realisable scrap value in the books of accounts. Darshini Prem is under arrest by a few operational creditors, crew and port authorities. The cases filed against Darshini Prem in High court of Andhra Pradesh was listed on July 1, 2021 in which the Court has ordered the sale of the dredger and fixed the Reserve Price at Rs. 12 crores and publication of the auction is to be made by August 5, 2021. The bids shall be submitted by the interested parties till August 20, 2021 and opening of the bids is on September 2, 2021. The successful bidder shall pay for the complete bid amount on or before September 16, 2021. The dredger 'Yukti Prem' has been under arrest by an Operational Creditor. The matter was last listed on July 8, 2021 before the High Court of Kerala at Ernakulam. The counsel of RP appeared before the Court and submitted that it has no objection to the sale. Accordingly, the Court ordered the sale of the dredger to be made on August 27, 2021



On account of this, there is no depreciation charge on PPE in the quarter ended June 30, 2021 with respect to PPE.

14. The Company had entered into settlement agreements with approval of NCLT with few operational creditors amounting to Rs. 3.94 crore out of which only Rs. 1.57 crore have been honoured and the balance commitment is yet to be discharged by the Company.
15. The office premise of the Company was charged to the lender of Mercator Petroleum Limited. On account of the possession notice received under Section 13 (4) of Securitization and Reconstruction of Financial Assets and read with Rule 8 of Enforcement of Security Interest (Second) Act, 2002, the symbolic possession of the office premises has been obtained by the said lender on September 9, 2020. The enforcement of security has been on account of default in repayment of debt by a material subsidiary of the Company.

As on the reporting date, only symbolic possession has been obtained and the Company continues to operate from the premises, hence the same continue to be categorised as property, plant and equipment of the Company and accordingly the depreciation for the period has been charged to the Statement of Profit & Loss. Necessary adjustments, if any, in the books of accounts will be done once the actual control over the office premises will be passed to the Bank.

16. The Company has identified only one major identifiable business segment viz Shipping (including Tankers and Dredgers) at standalone level. Hence, there is only reportable operating segment as per IND AS 108 "Operating Segments" in standalone financials.
17. The Company Secretary of the Company had resigned dated July 23, 2019 and until date of reporting, the said vacancy is yet to be filled.
18. During the previous year ended March 31, 2021, the Company has received letter from the National Stock Exchange of India Limited ("NSE") citing non – compliance of the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires that the Board of Directors shall comprise of not less than six directors. The Company had then made submission to NSE stating that there were 5 directors on the Board of Company including a woman director. It was also informed that the strength of independent directors is more than the executive directors and the Company was making best efforts to be compliant of the regulation.

Mrs. Ritu Vats has tendered her resignation vide email dated June 19, 2021 and Mr. Jagmohan Talan, tendered his resignation vide email dated June 21, 2021 as Independent Directors of the Company with effect from June 19, 2021 and June 21, 2021 respectively citing personal reasons.

Mr. Sukhdarshan Singh Bedi, tendered his resignation vide email dated June 28, 2021 as Independent Director of the Company with effect from June 28, 2021 citing personal reasons.

Mr. Shalabh Mittal tendered his resignation vide email dated June 21, 2021 as Chief Executive Officer and Key Managerial Personnel of the Company with effect from June 21, 2021 citing personal reasons.

However, the company is currently undergoing the Corporate Insolvency Resolution Process and the acceptance of the resignations tendered by the directors is subject to the relevant provisions of the Insolvency and Bankruptcy Code, 2016.



In the meeting of the Committee of Creditors (CoC) held on July 28, 2021, it was decided that since, the resignation of directors is governed by the Articles of Association of the Company and the CoC cannot have any role in the same. It was then decided that the RP should approach the directors again and request them to reconsider their decision.

Accordingly, on making request to the Directors, Mrs. Ritu Vats and Mr. Jagmohan Talan have withdrawn their respective resignations and decided to continue as Independent Directors of the Company vide their emails dated August 11, 2021. However, Mr. Sukhdarshan Singh Bedi, tendered his resignation vide email dated August 11, 2021 and Mr. Shalabh Mittal, Chief Executive Officer of the Company who had tendered his resignation earlier, has been considered and taken on record at the meeting held on August 12, 2021.

19. The results for the quarter ended June 30, 2021 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.co.in.
20. The figures for the quarter ended March 31, 2021 are balancing figure between audited figures in respect of full financial year and published year to date figure up to the third quarter of the financial year.
21. Figures of previous periods have been regrouped / reclassified wherever necessary to conform to current period classification.

For **MERCATOR LIMITED**



H K MITTAL
Whole-time Director



RAJENDRA KOTHARI
Chief Financial Officer

Taken on Record



Girish Siriram Juneja
Resolution Professional

(Powers of the Board are suspended from the Insolvency Commencement Date)

Place: Mumbai

Date: August 12, 2021



Nishi Seth

Subject: FW: Resignation Letter - Signed Copy required

----- Forwarded message -----

From: **BEDI MAHINDRA TRACTORS** <mzn.beditractors@gmail.com>

Date: Wed, Aug 11, 2021 at 4:48 PM

Subject: Fwd: Resignation Letter - Signed Copy required

To: <junejagirish31@gmail.com>

Dear Mr.Juneja

Noted the content of your email. I regret that given my personal commitments I will not be able to continue.

Kindly accept my resignation once again and confirm.

Kindly process my old dues at the earliest.

Regards

Sukhdarshan Singh Bedi

Shalabh Mittal

214, 21st floor, NCPA Apartments, Nariman Point, Mumbai- 400021

Mob: 9820151868

Date: August 12, 2021

To,

Board of Directors/Mr. Girish Siriram Juneja (Resolution Professional)

Mercator Limited,

83-87, 8th Floor,

Mittal Tower, 'B' Wing,

Nariman Point, Mumbai - 400021

Subject: Resignation as Chief Executive Officer of the Company

Dear Sir,

I hereby tender my resignation from the office of Chief Executive Officer of Mercator Limited with immediate effect due to personal reasons and other commitments.

In accordance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Clause 7B of Part A of Schedule III of Listing Regulations, I hereby confirm that there are no other material reasons for my resignation other than those provided above.

I would like to convey my thanks to the Board members for their cooperation during my tenure. I also wish good luck to the Company for its future endeavors.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,


Shalabh Mittal