

November 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 and half year ended September 30, 2021 of Mercator Limited which is currently undergoing Corporate Insolvency Resolution Process (CIRP)

This is in continuation to our letter dated November 01, 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. Friday, November 12, 2021, *inter alia* considered and taken on record the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2021.

We are enclosing herewith the copy of the following:

- a. Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2021;
- b. Statement of Assets and Liabilities as on September 30, 2021;
- c. Cash Flow Statement for the half year ended on September 30, 2021;
- d. Limited Review Report on the said Unaudited Financial Results received from the Statutory Auditors

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.

The meeting commenced at 1:30 P.M. which was adjourned and reconvened from 7:30 P.M. and concluded at 8:00 P.M.

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For **Mercator Limited**

Rajendra Kothari
Chief Financial Officer & Compliance 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 the Quarterly and Year to Date Unaudited 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 and half year ended September 30, 2021 ("the Statement") being submitted by the Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") and has been initialed by us for identification purpose.

The Hon'ble National Company Law Tribunal, Mumbai (NCLT) had admitted the petition of the Financial Creditors under the 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 the 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") as prescribed under section 133 of the Companies Act 2013 to be read with the 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 the 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 Conclusion

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 September 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 the 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. 5.06 crore is still under verification/not filed with Resolution Professional (RP). We are unable to comment on the financial impact of the claims admitted and aforesaid cases 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 the Code.
- d. Note No. 5(iv), regarding the Company's investments in its wholly owned foreign subsidiary Mercator International Pte Ltd. (MIL) which was impaired in full, amounting to Rs. 419.92 crore as on September 30, 2020 (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 September 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 has been made available to the Company. We are unable to comment on the value or recoverability of the said investment in subsidiary keeping in mind the non – availability about the information about the fair value of assets and liabilities of MIL and the impact the valuation would have, had the same been done as on September 30, 2021 on the financial statements as on the reporting date.
- e. Note No. 5(v), regarding unprovided current tax demands under dispute to the tune of Rs. 63.18 crores 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 the 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 to 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. 95.65 crore (which includes un-serviced interest amounting to Rs. 30.15 crore, excluding impairment of Rs. 37.12 crore), and the balance as per the financial results net of impairment amounts to Rs. 58.53 crore as at September 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 September 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 September 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. 117.58 crore (including un-serviced interest of Rs. 45.92 crore and excluding impairment of Rs. 19.34 crore) as on September 30, 2021, and the balance as per the financial results including investments and loans amounts to Rs. 130 crore, which are considered as 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 September 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 the few that are available with the management / RP have neither been reviewed by the auditor of the respective companies nor have been certified by the management of the respective companies. We are therefore unable to obtain sufficient and 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, have not been carried out. The Company has adjusted / provided significant amounts basis its internal estimates, against which necessary supporting documentation have 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 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 accordance with the 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 a receivable from an insurance Company amounting to Rs. 54.28 crore pertaining to a claim of loss on a vessel pertaining to the year 2012-13, which is under litigation. The same has been considered fully recoverable by the management and is supported by a legal opinion.

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

Place: Mumbai
Dated: November 12, 2021
UDIN: 21007592AAAABB5209

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



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S. Chandrasekhar
Partner
Membership No. 007592

Independent Auditor's Limited Review Report on the Quarter and Year to date Unaudited 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 and half year ended September 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 and has been initialed by us for identification purpose.

The Hon'ble National Company Law Tribunal, Mumbai (NCLT) had admitted the petition of Financial Creditors under the 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 the 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, to be 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 Conclusion

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 September 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 an 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 the 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. 5.06 crore is still under verification/not filed with Resolution Professional (RP). We are unable to comment on the financial impact of the claims admitted and aforesaid cases 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 conclusion 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)	September' 2021	Not Available
2	Mercator Petroleum Limited (MPL)	March'2021	Not Available
3	Oorja Resources India Private Limited.	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
4	Mercator Dredging Private Limited. (FPSO) (Formerly Mercator Offshore Logistic Private Limited)	June' 2021	Not Available
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.	September' 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	September' 2021	Not Available
13	Oorja (Batua) Pte. Limited	September' 2021	Not Available
14	Oorja 1 Pte. Limited	September' 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	March'2021	Not Available
18	PT Indo Perkasa	March'2021	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 and half year ended September 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 the 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 has been made available to the Parent Company.

For certain step-down subsidiaries, limited financial information has been shared for inclusion in



preparation of the 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 September 30, 2021. We are unable to comment on 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 the 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 the 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 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. 42.33 crore) and interest @ 5% p.a. from the date of the 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 September 30, 2021 has been incorporated basis the information available with the management of the Holding Company, however the same is not certified by the management / IRP 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 the 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 August 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 have 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, Statement of Cash Flow 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 the 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 relating 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 conclusion is not modified in respect of the aforementioned matter.

Other Matters

- 8. The accompanying Consolidated Financial Results include unaudited financial results /statements and other unaudited financial information in respect of 5 foreign subsidiaries / step – down subsidiaries whose financial statements have been incorporated based on the 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 subsidiary whose financial statements have been incorporated based on the 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 companies.



9. The accompanying Consolidated Financial Results include the financial results /statements in respect of 1 domestic subsidiary and 4 foreign subsidiaries whose financial statements have been incorporated based on the financial statements / financial information available with the Holding Company but have neither been certified by the management nor audited / reviewed and reflects total assets of Rs. 564.91 crore as at September 30, 2021, total revenues of Rs. 1.25 crore and Rs. 1.99 crore, total net profit/(loss) after tax of Rs. (1.10) crore and Rs. (19.05) crore and total comprehensive income / loss of Rs. (1.10) crore and Rs. (19.05) crore, for the quarter and half year ended September 30, 2021 respectively, and net cash (outflows) / inflows of Rs. 0.20 crore for the half year ended September 30, 2021, as considered in the consolidated unaudited financial results. 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 3 domestic subsidiaries and 9 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 or June 2021. According to the information and explanations given to us by the Management, this interim financial information is not material to the Group.

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

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



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S. Chandrasekhar

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Partner

Membership No. 007592

Place: Mumbai
Date: November 12, 2021
UDIN: 21007592AAAABC2577

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S LIMITED REVIEW 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)



<p style="text-align: center;">Mercator Limited</p> <p style="text-align: center;">CIN NO : L63090MH1983PLCO31418</p> <p style="text-align: center;">Regd. Office: 83-87, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333</p> <p style="text-align: center;">Statement of Assets and Liabilities as at 30th September 2021</p>		
(Rs. in crore)		
Particulars	STANDALONE	
	As at 30-Sep-2021 (Unaudited)	As at 31-Mar-2021 (Audited)
A ASSETS		
1 Non- Current Assets		
(a) Property, Plant and Equipment	0.83	7.91
(b) Financial assets		
(i) Investments	63.65	63.65
(ii) Loans	1.61	1.61
(iii) Other Financial Assets	0.03	0.03
(c) Income Tax Assets (net)	55.96	54.83
Total Non-Current Assets	122.08	128.03
2 Current Assets		
(a) Financial Assets		
(i) Trade Receivables	41.79	41.78
(ii) Cash and Cash Equivalents	0.72	1.51
(iii) Bank Balances other than (ii) above	5.90	5.15
(iv) Loans	125.16	123.72
(v) Other Financial Assets	64.23	64.16
(b) Other Current Assets	24.54	36.05
Total Current Assets	262.34	272.37
TOTAL ASSETS	384.42	400.40
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	30.25	30.25
(b) Other Equity	(1,008.95)	(1,014.64)
Total Equity	(978.70)	(984.39)
2 Non - Current Liabilities		
(a) Financial Liabilities		
(i) Other Financial Liabilities	0.03	0.03
Total Non-Current Liabilities	0.03	0.03
3 Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	225.36	225.36
(ii) Trade Payables		
- total outstanding dues of micro enterprises and small enterprises	0.35	0.35
- total outstanding dues of creditors other than micro enterprises and small enterprises	43.23	43.11
(iii) Other Financial Liabilities	1,084.48	1,106.12
(b) Other Current Liabilities	9.48	9.63
(c) Provisions	0.19	0.19
Total Current Liabilities	1,363.09	1,384.76
Total Liabilities	1,363.12	1,384.79
TOTAL EQUITY AND LIABILITIES	384.42	400.40

For and on behalf of the Board


H. R. Mittal
Executive Chairman

Powers of the board are suspended from the Insolvency Commencement Date


Rajendra Kothari
Chief Financial Officer & Compliance Officer

Taken on record by


Girish Juneja
Resolution Professional for Mercator Limited
(IBBI/IPA001/IP-P00999/2017-2018/11646)

Place: Mumbai
Date: 12 November, 2021

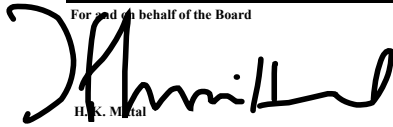


Mercator Limited						
CIN NO : L63090MH1983PLCO31418						
Regd. Office: 83-87, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333						
Unaudited Financial Results For Quarter & Half Year Ended September 30, 2021						
(Rs. in crore)						
Particulars	Standalone					
	Quarter Ended			Six Months Ended		Year Ended
	30-Sep-21	30-Jun-21	30-Sep-20	30-Sep-21	30-Sep-20	31-Mar-21
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
(a) Revenue from operations	-	-	3.35	-	3.35	6.85
(b) Other income	3.16	3.12	15.55	6.28	24.28	33.65
Total Income	3.16	3.12	18.90	6.28	27.63	40.50
2 Expenses						
(a) Cost of services rendered	-	-	3.34	-	4.26	14.78
(b) Employee benefits expense	0.09	0.09	0.93	0.18	2.04	2.88
(c) Finance costs	0.08	-	47.19	0.08	95.96	210.12
(d) Depreciation and amortisation	0.02	0.02	0.03	0.04	0.06	0.12
(e) Impairment Losses (net of reversals)	(2.43)	2.36	7.34	(0.07)	10.86	11.64
(f) Loss on Sale / Discard of Property, Plant and Equipment	-	-	0.02	-	0.02	2.26
(g) Other expenses	0.76	0.75	0.58	1.51	1.23	2.47
(h) Provision for doubtful debts / advances (net)	-	-	-	-	-	-
Total expenses	(1.48)	3.22	59.42	1.74	114.43	244.27
3 Profit/(loss) from operations before exceptional items and tax (1-2)	4.64	(0.10)	(40.52)	4.54	(86.80)	(203.77)
4 Exceptional items			-		-	-
5 Profit/(loss) before tax from Continuing Operations (3 - 4)	4.64	(0.10)	(40.52)	4.54	(86.80)	(203.77)
6 Tax expense						
Current tax (including earlier year adjustment)		1.12		1.12	-	(9.35)
Deferred tax (net)	-	-	-	-	-	-
7 Net profit/(loss) after tax from Continuing Operations (5 - 6)	4.64	1.02	(40.52)	5.66	(86.80)	(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	4.64	1.02	(40.52)	5.66	(86.80)	(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)	4.64	1.02	(40.52)	5.66	(86.80)	(213.12)
12 Profit/(Loss) attributable to for the period (net of tax)						
Owners of the company	4.64	1.02	(40.52)	5.66	(86.80)	(213.12)
13 Other comprehensive income/ (loss) for the year (net of tax)						
Owners of the company	-	-	-	-	-	-
14 Total Comprehensive Income /(Loss) for the period / year attributable to						
Owners of the company	4.64	1.02	(40.52)	5.66	(86.80)	(213.12)
15 Paid up equity share capital (FV of Re.1 per share)	30.25	30.25	30.25	30.25	30.25	30.25
16 Basic and Diluted earnings per equity share from continuing operation	0.15	0.03	(1.34)	0.19	(2.87)	(7.05)
17 Basic and Diluted earnings per equity share from discontinued operation	-	-	-	-	-	-
18 Basic and Diluted earnings per equity share from continuing and discontinued operation	0.15	0.03	(1.34)	0.19	(2.87)	(7.05)
19 Debenture Redemption Reserve*				25.00	25.00	25.00
20 Capital Redemption Reserve*				40.00	40.00	40.00
21 Net Worth*				(1,087.75)	(967.10)	(1,093.42)
22 Debt equity ratio*				(0.97)	(1.11)	(0.98)
23 Debt service coverage ratio (DSCR)*				0.01	(0.01)	0.01
24 Interest service coverage ratio (ISCR)*				57.38	0.01	0.09
*Information provided pursuant to Chapter V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.						
@Paid up Debt Capital represents Unrated, Unlisted, Secured, Redeemable Non-Convertible Debentures issued on private placement basis.						



ISCR = Cash Profit Before Finance Cost/ Finance cost; Debt Equity Ratio = Total Borrowings/ Total Equity; DSCR = Cash Profit before finance cost/(Finance Cost + Principal Repayments (excluding prepayments & paid on account of sale/invoice of asset/security) during the year)

For and on behalf of the Board



H.K. Mehta
Executive Chairman
(DIN:00007690)



Powers of the board are suspended from the Insolvency Commencement Date



Rajendra Kothari
Chief Financial Officer & Compliance Officer

Taken on record by



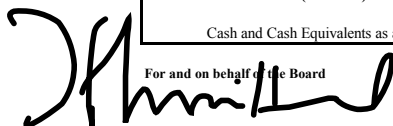
Girish Juneja

Resolution Professional for Mercator Limited
(IBBI/PA001/IP-P00999/2017-2018/11646)

Place: Mumbai

Date: 12 November, 2021

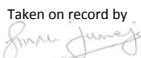
<p style="text-align: center;">Mercator Limited CIN NO : L63090MH1983PLCO31418 Regd. Office: 83-87, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333 Statement of Cash Flow for the period ended September 30, 2021</p>		
(Rs. in crore)		
Particulars	STANDALONE	
	Half Year Ended 30-Sep-2021 Unaudited	Half Year Ended 30-Sep-2020 Unaudited
A Cash Flow from Operating Activities		
Net Profit / (Loss) before taxes	4.54	(86.80)
Adjustment for:		
Depreciation and Amortisation	0.05	0.06
Credit balances written back	-	(7.47)
Finance Costs	-	95.96
(Profit)/Loss on sale / discard of Property, Plant and Equipments (net)	(4.81)	0.02
Impairment of Investments and loans to subsidiaries (Exceptional items)	2.36	10.86
Interest income	(6.28)	(6.02)
Unrealised foreign exchange (gain) / loss (Net)	-	(10.79)
Operating profit before Working Capital changes	(4.14)	(4.18)
Adjustment for:		
Decrease/(Increase) in Other Financials and Current Assets	(0.05)	5.45
Decrease/(Increase) in Trade receivables	-	2.13
(Increase) / Decrease in Current Financial Assets Loans	-	(4.36)
(Decrease)/Increase in Provisions	-	(0.02)
(Decrease)/Increase in Trade payables	0.11	(1.20)
(Decrease)/Increase in Other current liabilities	(0.38)	(0.82)
(Decrease)/Increase in Other financial liabilities	-	(0.89)
Net Cash from Operating Activities	(4.46)	(3.89)
Direct taxes paid (Net of refund)	(0.01)	5.29
Total cash from / (used in) operating activities	(4.47)	1.40
B Cash Flow from Investing Activities		
(Increase) / Decrease in Capital Advances/Capital creditors	-	(0.23)
Proceeds from Sale of Fixed Assets	23.42	0.02
Loan realisation from / (given) to Subsidiaries	2.38	-
Bank deposits (Placed) / redeemed with banks (Net)	(0.75)	(0.03)
Interest Received	0.02	0.03
Dividend Received	-	-
Net Cash from Investing Activities	25.07	(0.21)
C Cash Flow from Financing Activities		
Proceeds from Borrowings	1.75	-
Repayment of Borrowings	-	(1.51)
Interest paid	(23.14)	-
Net Cash from Financing Activities	(21.39)	(1.51)
Net Increase / (decrease) in cash and cash equivalents (A + B + C)	(0.79)	(0.32)
Cash and Cash Equivalents as at end of the year	0.72	0.58


For and on behalf of the Board

H. K. Mittal
Executive Chairman
(DIN:00007690)

Powers of the board are suspended from the Insolvency Commencement Date


Rajendra Kothari
Chief Financial Officer & Compliance Officer

Taken on record by

Girish Juneja
Resolution Professional for Mercator Limited
(IBBI/TPA001/TP-P00999/2017-2018/11646)
Place: Mumbai
Date: 12 November, 2021



MERCATOR LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR
ENDED SEPTEMBER 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 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). As per requirements of the 'Code' and 'CIRP Regulations', the Resolution Professional had invited expression of Interest (Eoi) from prospective Resolution Applicants (PRAs) to submit the Resolution Plan for the Company. The first round of Invitation of Eoi was published on April 24, 2021 and the timelines to submit Eoi were extended as approved by Committee of Creditors (CoC). Last date to submit EOI as per second round of Invitation of Eoi (published on May 18, 2021) was on June 2, 2021 and the Resolution Professional had declared the final list of Resolution Applicants on July 7, 2021. The last date for submission of resolution plan was August 31, 2021, which was thereafter extended to September 6, 2021 basis the request received from the PRAs. Pending outcome of the CIRP, financial statements of the Company have been prepared on a going concern basis. The application seeking exclusion of the time period of 88 days i.e. from April 4, 2021 to June 30, 2021 from the overall CIRP period (due to the second wave of Pandemic and various restrictions imposed by Government of Maharashtra) was heard and allowed by the NCLT on August 9, 2021. The CIRP period stands extended to November 3, 2021.

Since Resolutions Plans are still under consideration of CoC, pursuant to the ninth meeting of the CoC held on October 8, 2021 and e-voting concluded on October 18, 2021, an application dated October 26, 2021 seeking extension of the CIRP period by 90 days u/s 12(2) r/w 12(3) of Code read with Regulation 40 of CIRP Regulations has been filed which is yet to be heard and allowed by NCLT.

2. The standalone financial results of Mercator Limited (hereinafter referred as "the Company") for the quarter and half year ended September 30, 2021 have been prepared by the Chief Financial Officer (CFO) and management, reviewed by the Audit Committee and approved at the meeting of the Resolution Professional & Directors held on November 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 and half year ended September 30, 2021. 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. For opening balances of the previous year as well as transactions made prior to initiation of CIRP, RP has relied on the representations and statements made by the Directors and the KMPs 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 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 and half year ended September 30, 2021 as followed in the previous financial year ended March 31, 2021.

5. The Auditors have expressed an Adverse Conclusion 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 September 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). During the quarter ended September 30, 2021, the remaining only two non-operating dredgers which had been arrested by operational creditors, have been 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 received Resolution Plans from the eligible Prospective Resolution Applicants (PRA).

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, verify 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 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. 937.86 crore). Total amount of claims towards principal dues of the financial creditors as on September 30, 2021 stand as under:

a.	Principal amount of Loans admitted by RP	937.86 crore
b.	Claims under verification by RP/Not filed	5.06 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 finance cost 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 and half year ended September 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 earlier 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 September 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, quarter ended June 30, 2021 and half year ended September 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 September 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 1,945 crore filed against ONGC. Accordingly, in the financial year 2021-22, the Company made 50% impairment for an amount of Rs. 0.72 crore for the quarter ended September 30, 2021 (Rs.1.43 crore for the half year ended September 30, 2021) towards accrued interest on loan given to MOGL. Out of the total outstanding loan of Rs. 95.65 crore, unimpaired amount as on September 30, 2021 is Rs. 58.52 crore after considering a provision for impairment of Rs. 37.13 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 had 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. ONGC with a view of postponing the trial, filed a writ petition in Bombay High Court, challenging Tribunal's various orders for timely completion of October, 2021 Trial. On 18 October 2021, the Tribunal convened to commence the October Trial. However, ONGC was not present in the trial. On 19 October 2021, the MOGL was served with an un-numbered writ petition to be filed by the ONGC before the Bombay High Court ("Writ Petition"), inter alia seeking a direction to the Tribunal not to proceed with the October Trial till such time as the NCLT decides the Parties' applications, a stay of this Arbitration until final disposal of the Writ Petition, and interim and ad interim reliefs in this regard. The hearing on this petition is now fixed for 15 December 2021. ONGC appeared on



the 22nd October, 2021 and requested for new dates for October Trial. Despite MOGL's objections, new dates were for hearing were give as under:

- (a) 10, 20 -22 December, 2021 for Respondent's opening submissions and for completing cross-examination witnesses of both parties;
- (b) 17-20 January, 2022 for Claimant's oral submissions
- (c) 14-17 February 2022 for Respondent's oral submissions
- (d) 18 February, 2022 for Claimant's oral submissions in rejoinder.

Further, IRP has updated that the last date of submission of Expression of Interest (EOI) by Prospective Resolution Applicants (PRAs) was October 13, 2021.

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. 1,945 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 1287 crore (USD 173.36 Mn) could probably be awarded as payable to the subsidiary 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. 85.97 crore (including debentures) to Mercator Petroleum Limited (MPL) as on September 30, 2021, against which impairment of Rs.19.33 crore has been created and balance outstanding as on September 30, 2021 is Rs. 66.64 crore. During the quarter ended September 30, 2021, the Company has provided additional impairment of Rs. 1.17 crore (Rs. 2.36 Crore for the half year ended September 30, 2021) towards accrued interest on loan to Mercator Petroleum Limited (MPL), Rs. 0.47 crore (Rs. 0.95 Crore for the half year ended September 30, 2021) towards interest accrued on 6% optionally convertible debentures issued by MPL, 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 October 2021 as per the process laid down under the Code. Prospective Resolution Applicants (PRAs) have expressed their interest in the Oil Assets of MPL. The process of due diligence by these entities is currently going on. However, due to a pending litigation filed in NCLT by a financial creditor of the Parent Company and a consequent stay granted by NCLAT, the timelines under the Code stand extended.

- 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 and half year ended September 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, which are also neither management / IRP certified nor audited, have been carried to September 30, 2021 for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 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 half year ended September 20, 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 and half year ended September 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 which have neither been certified by the management nor have been audited / reviewed, 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. However, the said subsidiaries have not provided their financial statements / financial results / financial information for the quarter and half year ended September 30, 2021 and in view of the same, the Balance Sheet values as on June 30, 2021 have been carried to September 30, 2021 for the purpose



of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2021.

Overseas Subsidiaries –

Financials 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 half year ended September 30, 2021 have not been certified by the management or liquidator, 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 and half year ended September 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 / financial results / financial information 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 September 30, 2021 for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and half year ended September 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 / financial results / financial information 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 September 30, 2021 for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2021.

Financials Statements / financial results / financial information 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 September 30, 2021 for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and half year ended September 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 and half year ended September 30, 2021 have not been provided to the Parent Company and hence the unaudited Balance Sheet values as on March 31, 2021 (last available)- have been carried to September 30, 2021 for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2021.

- ix. The Company has not been able to obtain any 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 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 September 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 the 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 had filed its claim for outstanding debt of Rs.0.18 crores as on July 15, 2021 towards reimbursement of expenses which has been accepted for Rs.0.01 crore and the said amount has been received by way of dividend subsequent to the end of quarter and half year ended September 30, 2021.
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 be 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.3.10 crore during the quarter ended September 30, 2021



(Rs.6.18 crore for the half year ended September 30, 2021) and consequently impaired amounting to Rs.2.38 crore (Rs.4.74 crore for the half year ended September 30, 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. Though India recently crossed another significant milestone in its battle against the pandemic, as it touched 100 crore COVID vaccinations (including both the first and second doses), 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. 12% Secured Non-Convertible Debentures (NCD), issued on March 27, 2018 are unrated, unlisted and are secured by way of first pari-passu charge on the Company's specific assets and collaterally by pledge of the shares of one of its subsidiary & step - down subsidiary Company, pari-passu charge on assets of subsidiary company and personal guarantee of key managerial personnel. These are redeemable at a premium of 5% (for first 2 years) and 7% for remaining period on accrual basis.

Sr No	Particulars	As at September 30, 2021	As at March 31, 2021
1	Previous due date for payment of Interest on Non – Convertible Debentures (NCD)	30-June-21	31-Dec-20
2	Previous due date for repayment of Principal of NCD	30-June-21	31-Dec-20
3	Next due date and amount for payment of Interest on NCD	31-Dec-21#	30-Jun-21
4	Next due date and amount for the repayment of Principal of NCD	31-Dec-21#	30-Jun-21

#As per original schedule specified under Debenture Trust Deed.



Debenture trustee has issued letter dated October 01, 2019 with retrospective effect of event of default since October 04, 2018 (i.e. external credit rating downgrade).

13. 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 half year ended September 30, 2021. This has brought down the shareholding of the promoters in the Company to 7.11% as on September 30, 2021.
14. 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. The vessel was auctioned by the lender through court auction procedure during previous year.

One of the dredger 'Bhagwati Prem' which was beached at New Mangalore Port Trust (NMPT) was sold by NMPT 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 year ended March 31, 2021.

Another dredger 'Vivek Prem' was sold under court auction order of Hon'ble Gujarat High Court, during the year ended March 31, 2021.

As on April 1, 2021, the Company had only two non-operating dredgers i.e. Darshini Prem and Yukti Prem which had been arrested by operational creditors and have been sold under auction through orders of the respective Hon'ble High Courts. The said court auction sale in the quarter ended September 30, 2021 has resulted in reversal of impairment provision made in the earlier financial years to the extent of Rs.4.02 crore and Rs.0.79 crore aggregating to Rs.4.81 crore.

Considering all the facts stated above, there is no depreciation charge on PPE during the quarter and half year ended September 30, 2021 with respect to PPE.

15. The Company had entered into settlement agreements with approval of NCLT in the pre-CIRP period 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.
16. 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.

17. 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.



18. 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.
19. 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.
- Mr. Sukhedarshan 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.
- The said resignations of Mr. Sukhedarshan Singh Bedi, Independent Director and Mr. Shalabh Mittal, Chief Executive Officer and Key Managerial Personnel of the Company had been considered and taken on record at the meeting of the Board of Directors held on August 12, 2021.
20. The results for the quarter and half year ended September 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.
21. The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette on 29th September, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.
22. Figures of previous periods / year 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 &
Compliance Officer

Taken on Record

Girish Juneja
Resolution Professional

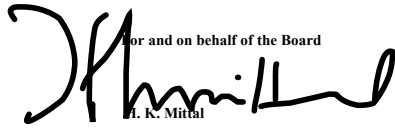
(Powers of the Board are suspended from the Insolvency Commencement Date)

Place: Mumbai

Date: November 12, 2021

Mercator Limited CIN NO : L63090MH1983PLCO31418 Regd. Office: 83-87, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333 Statement of Assets and Liabilities As at September 30, 2021		
(Rs. in crore)		
Particulars	Consolidated	
	As at 30-Sep-2021 (Unaudited)	As at 31-Mar-2021 (Audited)
A ASSETS:		
1 Non-current assets:		
a) Property, plant and equipment	192.36	283.64
b) Capital work in progress	3.28	2.75
c) Investment property	-	-
d) Other Intangible assets	0.03	0.03
e) Deferred Tax Assets	19.76	1.46
f) Financial assets		
i) Investments	-	-
ii) Loans	3.67	3.65
iii) Other financial assets	204.64	204.64
g) Other non-current assets	15.27	15.15
h) Income tax assets (net)	56.77	55.64
	495.78	566.96
2 Current assets:		
a) Inventories	10.27	8.92
b) Financial assets		
i) Investments	61.85	61.04
ii) Trade receivables	100.08	136.71
iii) Cash and cash equivalent	25.95	26.81
iv) Bank balances other than cash and cash equivalents	5.98	5.22
v) Loans	17.48	24.57
vi) Other financial assets	64.24	64.17
c) Other current assets	69.16	72.35
Non Current Assets classified as Asset Held for Sale	252.00	252.00
	607.01	651.79
TOTAL ASSETS	1,102.79	1,218.75
B EQUITY AND LIABILITIES:		
1 Equity:		
a) Equity share capital	30.25	30.25
b) Other equity	(1,429.10)	(1,399.30)
Non Controlling Interest	71.49	116.63
	(1,327.36)	(1,252.42)
2 Non-current liabilities:		
a) Financial liabilities		
i) Borrowings	-	-
ii) Other financial liabilities	14.85	16.93
b) Provisions	6.32	5.43
c) Deferred Tax Liability (Net)	-	-
	21.17	22.36
3 Current liabilities:		
a) Financial liabilities		
i) Borrowings	681.34	674.74
ii) Trade payables		
- total outstanding dues of micro enterprises and small enterprises	0.35	0.35
- total outstanding dues of creditors other than micro enterprises and small enterprises	141.66	148.13
iii) Other financial liabilities	1,515.71	1,532.23
b) Other current liabilities	69.73	93.16
c) Provision	0.19	0.20
	2,408.98	2,448.81
TOTAL LIABILITIES	2,430.15	2,471.17
TOTAL EQUITY AND LIABILITIES	1,102.79	1,218.75




A. K. Mittal

Executive Chairman
(DIN:00007690)

Powers of the board are suspended from the Insolvency Commencement Date



Rajendra Kothari
Chief Financial Officer & Compliance Officer



Taken on record by



Girish Juneja
Resolution Professional for Mercator Limited
(IBBI/IPA001/IP-P00999/2017-2018/11646)

Place: Mumbai

Date: 12 November, 2021

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 & Half Year Ended September 30, 2021

(Rs. in crore)

Particulars	Consolidated					
	Quarter Ended			Half Year Ended		Year ended
	30-Sep-21	30-Jun-21	30-Sep-20	30-Sep-21	30-Sep-20	31-Mar-21
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
(a) Revenue from operations	-	-	110.30	-	224.93	373.78
(b) Other income	0.08	0.05	14.91	0.13	24.91	38.81
Total Income	0.08	0.05	125.21	0.13	249.84	412.59
2 Expenses						
(a) Cost of services rendered	-	-	82.67	-	174.16	289.73
(b) Employee benefits expense	0.22	0.09	9.74	0.32	14.68	22.89
(c) Finance costs (incl. penal interest)	0.51	12.66	66.46	13.17	135.07	290.79
(d) Depreciation and amortisation	0.02	0.02	12.38	0.05	24.61	39.45
(e) Impairment Losses (net of reversal, if any)	-4.81	-	-	(4.81)	3.84	26.63
(f) Loss on Sale / Discard of Property, Plant and Equipment	-	-	0.02	-	0.02	2.26
(g) Other expenses	0.79	6.27	25.79	7.06	32.68	44.93
(h) Loss on Fair Value of Investment	-	-	-	-	-	-
(i) Provision for doubtful debts / advances (net)	-	-	(0.01)	-	-	-
Total expenses	(3.27)	19.04	197.05	15.79	385.06	716.68
3 Profit/(loss) from operations before exceptional items and tax (1-2)	3.35	(18.99)	(71.84)	(15.66)	(135.22)	(304.09)
4 Exceptional items		-				-
5 Profit/(loss) before tax from Continuing Operations (3 - 4)	3.35	(18.99)	(71.84)	(15.66)	(135.22)	(304.09)
6 Tax expense						
Current tax (including earlier year adjustment)	-	1.13	(1.43)	1.13	(3.56)	(15.58)
Deferred tax (net)			-			-
7 Net profit/(loss) after tax from Continuing Operations (5 - 6)	3.35	(17.86)	(73.27)	(14.53)	(138.78)	(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	3.35	(17.86)	(73.27)	(14.53)	(138.78)	(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)	3.35	(17.86)	(73.27)	(14.53)	(138.78)	(319.67)



12	Profit /(Loss) attributable to for the period (net of tax)						
	Owners of the company	3.35	(17.86)	(75.74)	(14.53)	(144.30)	(332.17)
	Non controlling interest	-	-	2.47		5.52	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	3.35	(17.86)	(75.74)	(14.53)	(144.30)	(332.17)
	Non controlling interest	-	-	2.47		5.52	12.50
15	Paid up equity share capital (FV of Re.1 per share)	30.25	30.25	30.25	30.25	30.25	30.25
16	Basic and Diluted earnings per equity share from continuing operation	0.11	(0.59)	(2.50)	(0.48)	(4.77)	(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	0.11	(0.59)	(2.50)	(0.48)	(4.77)	(10.98)
19	Debenture Redemption Reserve	NA			25.00	25.00	25.00
20	Capital Redemption Reserve*				40.00	40.00	40.00
21	Net Worth*				(1,512.21)	(1,463.25)	(1,483.65)
22	Debt equity ratio*				(1.22)	(1.46)	(1.28)
23	Debt service coverage ratio (DSCR)*				0.00	0.03	0.02
24	Interest service coverage ratio (ISCR)*				(0.55)	0.18	0.18
*Information provided pursuant to Chapter V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.							

ISCR = Cash Profit Before Finance Cost/ Finance cost; Debt Equity Ratio = Total Borrowings/ Total Equity; DSCR = Cash Profit before finance cost/(Finance Cost + Principal Repayments (excluding prepayments & paid on account of sale/invoice of asset/security) during the year)



For and on behalf of the Board

H. K. Mittal
Executive Chairman
(DIN:00007690)



Powers of the board are suspended from the Insolvency Commencement Date



Rajendra Kothari
Chief Financial Officer & Compliance Officer

Taken on record by



Girish Juneja
Resolution Professional for Mercator Limited
(IBBI/IPA001/IP-P00999/2017-2018/11646)

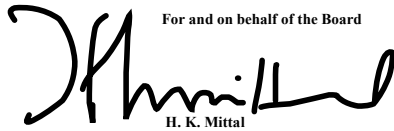
Place: Mumbai
Date: 12 November, 2021

Mercator Limited
Statement of Consolidated Cash Flow for the half year ended September 30, 2021

Particulars	(Rs. in crore)	
	Period Ended 30-Sep-2021 Unaudited	period Ended 30-Sep-2020 Unaudited
A Cash Flow from Operating Activities		
Net Profit / (Loss) Before Tax - continuing business	(15.66)	(135.22)
Net Profit / (Loss) Before Tax - discontinued business	-	-
<i>Adjustment for:</i>		
Depreciation & Amortisation	0.05	24.61
Impairment of Assets - continuing operation	(4.81)	3.84
Provision for doubtful debts/advances	-	0.02
Finance Costs	13.17	135.07
(Profit)/Loss on fixed assets sold / discarded (net)	-	0.02
Other income on account of accrual written back	-	(7.47)
Recycled through other equity	(26.45)	-
Interest income	(0.13)	(0.15)
Gain on sale of Investment	-	(0.09)
Bad Debts and other amounts written off/(back)	-	-
Notional Income on Corporate guarantee	-	-
Unrealised (gain) / loss on Fair Value of Investment	-	-
Unrealised foreign exchange (gain) / loss (Net)	(1.18)	(15.21)
Operating profit before working capital changes	(35.01)	5.42
<i>Adjustment for:</i>		
Decrease/(Increase) in Other Financial and Current Assets	(0.14)	0.04
Decrease/(Increase) in Inventories	(1.35)	(2.57)
Decrease/(Increase) in Trade Receivables	36.60	6.80
Decrease/(Increase) in Current Financial Assets - Loans	7.08	(5.67)
Decrease/(Increase) in Current Other Financial Assets	0.00	-
Decrease/(Increase) in Other current assets	3.19	3.23
Decrease/(Increase) in Other Non current assets	-	21.47
(Decrease)/Increase in Other Financials and Current Liabilities	(61.85)	(55.80)
(Decrease)/Increase in Provisions	0.87	0.52
(Decrease)/Increase in Trade Payables	(6.47)	20.55
Net Cash from Operating Activities	(57.07)	(6.01)
Direct taxes paid (Net of refund)	-	5.01
Net Cash from Operating Activities	(57.07)	(1.00)
B Cash Flow from Investing Activities		
Purchase of fixed assets including capital work in progress	-	(6.95)
(Increase) / Decrease in Capital advances/Capital creditors	-	0.23
Loan realization from / (given) to Subsidiaries	-	-
Proceeds from Sale of Fixed Assets	90.70	0.02
(Increase) / Decrease in Current Intercompany deposits	-	-
(Purchase) / Sale of Investments	(0.82)	0.45
Bank deposits (Placed) / redeemed with banks (Net)	(0.76)	0.39
Interest Income	0.13	0.14
Net Cash from Investing Activities	89.25	(5.72)
C Cash Flow from Financing Activities		
Proceeds from Borrowings	6.60	-
Repayment of Borrowings	-	(2.04)
Changes in the Non-Controlling Interest	(45.14)	-
Interest paid (Refer Note 1 below)	5.49	(0.79)
Net Cash from Financing Activities	(33.05)	(2.83)
Net Increase / (decrease) in cash and cash equivalents (A + B + C)	(0.87)	(9.55)
Cash and Cash Equivalents as at beginning of the year	26.81	31.49
Add: Unrealised Foreign Exchange Fluctuation on cash and cash equivalents	-	-
Cash and Cash Equivalents as at end of the year	25.94	21.94

Note 1: Due to non availability of relevant information from the subsidiaries, cash flow disclosures have been prepared based on limited facts available and may not depict correct facts for certain reporting documents.





For and on behalf of the Board

H. K. Mittal

Executive Chairman

(DIN:00007690)

Powers of the board are suspended from the Insolvency Commencement Date



Rajendra Kothari

Chief Financial Officer & Compliance Officer



Taken on record by



Girish Juneja

Resolution Professional for Mercator Limited

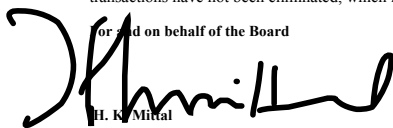
(IBBI/IPA001/IP-P00999/2017-2018/11646)

Place: Mumbai


Date: 12 November, 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 & HALF YEAR ENDED SEPTEMBER 30, 2021 (Rs in crore)</p>						
Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-21	30-Jun-21	30-Sep-20	30-Sep-21	30-Sep-20	31-Mar-21
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	(Audited)
1. Segment Revenue (net sale/income from each segment should be disclosed under this head)						
(a) Shipping	-	-	3.35	-	3.35	6.85
(b) Coal (Mining, Procurement and Logistics)	-	-	106.95	-	221.58	366.93
Net sales/Income From Operations			110.30	-	224.93	373.78
2. Segment Results Profit/(Loss) before tax from each segment						
(a) Shipping	4.73	(0.10)	6.66	4.62	9.15	6.97
(b) Coal (Mining, Procurement and Logistics)	0.03	(0.19)	3.57	(0.17)	11.90	0.88
(c) Others	(0.90)	(6.04)	(15.61)	(6.94)	(21.20)	(21.15)
Less: Interest	(0.51)	(12.66)	(66.46)	(13.17)	(135.07)	(290.79)
Total Profit / (Loss) Before Tax from Continuing Operations	3.35	(18.99)	(71.84)	(15.66)	(135.22)	(304.08)
Net profit/(loss) before tax from discontinued Operation					-	-
Total Profit / (Loss) Before Tax	3.35	(18.99)	(71.84)	(15.66)	(135.22)	(304.08)
3. Segment Assets						
(a) Shipping	210.63	205.51	236.12	210.63	236.12	226.62
(b) Coal (Mining, Procurement and Logistics)	429.24	534.26	508.08	429.24	508.08	527.87
Total Segment Assets	639.87	739.77	744.20	639.87	744.20	754.49
Unallocable Assets	462.83	463.59	477.52	462.83	477.52	464.18
Discontinued operation	0.08	0.08	0.08	0.08	0.08	0.08
Total Assets	1,102.78	1,203.44	1,221.80	1,102.78	1,221.80	1,218.75
4. Segment Liabilities						
(a) Shipping	1,293.38	1,292.91	1,231.49	1,293.38	1,231.49	1,315.04
(b) Coal (Mining, Procurement and Logistics)	352.74	397.05	352.74	352.74	352.74	391.58
Total Segment Liabilities	1,646.12	1,689.96	1,584.23	1,646.12	1,584.23	1,706.62
Unallocable Liabilities	783.86	783.95	731.67	783.86	731.67	764.39
Discontinued operation	0.16	0.16	0.42	0.16	0.42	0.16
Total Liabilities	2,430.14	2,474.07	2,316.32	2,430.14	2,316.32	2,471.17

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

For and on behalf of the Board

H. K. Mittal
Executive Chairman
(DIN:00007690)

Powers of the board are suspended from the Insolvency Commencement Date


Rajendra Kothari
Chief Financial Officer & Compliance Officer



Taken on record by


Girish Juneja
Resolution Professional for Mercator Limited
(IBBI/IPA001/IP-P00999/2017-2018/11646)

Place: Mumbai
Date: 12 November, 2021

MERCATOR LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIALS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021

1. A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Mercator Limited (hereinafter referred as "Holding Company" / "Parent Company" / "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 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). As per requirements of the 'Code' and 'CIRP Regulations', the Resolution Professional had invited expression of Interest (EoI) from prospective Resolution Applicants (PRAs) to submit the Resolution Plan for the Company. The first round of Invitation of EoI was published on April 24, 2021 and the timelines to submit EoI were extended as approved by Committee of Creditors (CoC). Last date to submit EOI as per second round of Invitation of EoI (published on May 18, 2021) was on June 2, 2021 and the Resolution Professional had declared the final list of Resolution Applicants on July 7, 2021. The last date for submission of resolution plan was August 31, 2021, which was thereafter extended to September 6, 2021 basis the request received from the PRAs. Pending outcome of the CIRP, financial statements of the Company have been prepared on a going concern basis. The application seeking exclusion of the time period of 88 days i.e. from April 4, 2021 to June 30, 2021 from the overall CIRP period (due to the second wave of Pandemic and various restrictions imposed by Government of Maharashtra) was heard and allowed by the NCLT on August 9, 2021. The CIRP period stands extended to November 3, 2021.

Since Resolutions Plans are still under consideration of CoC, pursuant to the ninth meeting of the CoC held on October 8, 2021 and e-voting concluded on October 18, 2021, an application dated October 26, 2021 seeking extension of the CIRP time period by 90 days u/s 12(2) r/w 12(3) of Code read with Regulation 40 of CIRP Regulations has been filed which is yet to be heard and allowed by NCLT.

2. The consolidated financial results of Mercator Limited for the quarter and half year ended September 30, 2021 have been prepared by the Chief Financial Officer (CFO) and management, reviewed by the Audit Committee and approved at the meeting of the Resolution Professional & Directors held on November 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 and half yearly results. 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. For opening balances of the previous year as well as transactions made prior to initiation of CIRP, RP has relied on the representations and statements made by the Directors and the KMPs of the Company. 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 for the quarter and half year ended September 30, 2021 as followed in the previous financial year ended March 31, 2021.
5. The Auditors have expressed an Adverse Conclusion 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 September 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). During the quarter ended September 30, 2021 the remaining only two non-operating dredgers at standalone level which had been arrested by operational creditors, have been 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 Holding 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 received Resolution Plans from the eligible Prospective Resolution Applicants (PRA).



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 September 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, verify 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. 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 September 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.937.86 crores). Total amount of claims towards principal dues of the financial creditors as on September 30, 2021 stand as under:

a.	Principal amount of Loans admitted by RP	937.86 crores
b.	Claims under verification by RP/Not filed	5.06 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 and half year ended 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 Holding 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 and half year September 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, which are also neither management / RP certified nor audited, have been carried to September 30, 2021 for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 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 half year ended September 30, 2021 have been made available to the Holding 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 and half year ended September 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, which have neither been certified by the management nor have been audited / reviewed, have been considered for the purpose of preparation of Consolidated Financial Results basis the financial information available with the Holding Company for the quarter and half year ended September 30, 2021.
- However, the said subsidiaries have not provided their financial statements / financial results / financial information for the quarter and half year ended September 30, 2021 and in view of the same, the Balance Sheet values as on June 30, 2021 have been carried to September 30, 2021 for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 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 and half year ended September 30, 2021 have neither been certified by the management or liquidator 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 and half year ended September 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 / financial results / financial information 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 September 30, 2021 for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2021.
- (f) 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. Mercator International Pte. Ltd. (in Liquidation), the said 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 / financial results / financial information 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, unaudited Balance Sheet values as on March 31, 2021 have been carried to September 30, 2021 for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2021.
- (g) Financials Statements / financial results / financial information 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 September 30, 2021 for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2021.
- (h) Audited / Reviewed or management certified Financial Results of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the quarter and half year ended September 30, 2021 have not been provided to the Parent Company and hence the unaudited Balance Sheet values as on March



31, 2021 (last available) have been carried to September 30, 2021 for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2021.

As none of the audited / reviewed Financial Statement / financial results / financial information of the Subsidiaries were available as on September 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.. 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 finance cost 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 and half year ended September 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 and half year ended September 30, 2021. The fair value as on September 30, 2021 can be substantially different in view of the valuation factors on account of sharp changes 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 on September 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 1,945 crore filed against ONGC. Accordingly, the Company made 50% impairment for an amount of Rs. 0.72 crore for the quarter ended September 30, 2021 (Rs.1.43 crore for the half year ended September 30, 2021) towards accrued interest on loan given to MOGL.
 - b. Further, one of the operational creditors of one of the material subsidiary 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 had 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. ONGC with a view of postponing the trial, filed a writ petition in Bombay High Court, challenging Tribunal's various orders for timely completion of October, 2021 Trial. On 18 October 2021, the Tribunal convened to commence the October Trial. However, ONGC was not present in the trial. On 19 October 2021, the MOGL was served with an un-numbered writ petition to be filed by the ONGC before the Bombay High Court ("Writ Petition"), inter alia seeking a direction to the Tribunal not to proceed with the October Trial till such time as the NCLT decides the Parties' applications, a stay of this Arbitration until final disposal of the Writ Petition, and interim and ad interim reliefs in this regard. The hearing on this petition is now fixed for 15 December 2021. ONGC appeared on the 22nd October, 2021 and requested for new dates for October Trial. Despite MOGL's objections, new dates were for hearing were give as under:
- (a) 10, 20 -22 December, 2021 for Respondent's opening submissions and for completing cross-examination witnesses of both parties;
 - (b) 17-20 January, 2022 for Claimant's oral submissions
 - (c) 14-17 February 2022 for Respondent's oral submissions
 - (d) 18 February, 2022 for Claimant's oral submissions in rejoinder.

Further, IRP has updated that the last date of submission of Expression of Interest (EOI) by Prospective Resolution Applicants (PRAs) was October 13, 2021.

- 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. 1,945 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 1287 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. GPC had obtained stay order from local UAE court restraining Abu Dhabi Commercial Bank (ACDB) from honouring Performance Guarantee. In relation to invocation of performance guarantee provided to GPC was decided by the Supreme Court of UAE and the Supreme Court Order was received in Arabic language. It was informed by the law firm which was associated with matter before commencement of CIRP) that the order in the matter of ACDB in relation to invocation of performance guarantee provided to GPC was in favour of MOGL and it was pending for translation to



be received. The lender of MOGL is in the process of initiating a litigation for invocation of Bank Guarantee against ACDB.

- 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 October 2021 as per the process laid down under the Code. Prospective Resolution Applicants (PRAs) have expressed their interest in the Oil Assets of MPL. The process of due diligence by these entities is currently going on. However, due to a pending litigation filed in NCLT by a financial creditor of the Parent Company and a consequent stay granted by NCLAT, the timelines under the Code stand extended.
 - c. During the quarter and half year ended September 30, 2021, the Company has provided additional impairment of Rs.1.17 crore (Rs. 2.36 crore for the half year ended September 30, 2021) towards accrued interest on loan to Mercator Petroleum Limited (MPL), Rs. 0.47 crore (Rs. 0.95 crore for the half year ended September 30, 2021) towards interest accrued on 6% optionally convertible debentures issued by MPL.
- ix. All of the directors on the Board of the Holding Company are disqualified as on September 30, 2021 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
- x. The Holding Company and some of its subsidiaries have been able to obtain any 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 and half year ended September 30, 2021 and the Statement of Cash Flow for the period ended September 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 had filed its claim for outstanding debt of Rs.0.18 crores as on July 15, 2021 towards reimbursement of expenses which has been accepted for Rs.0.01 crore and the said amount has been received by way of dividend subsequent to the end of quarter and half year ended September 30, 2021.
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 September 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. 12% Secured Non-Convertible Debentures (NCD), issued on March 27, 2018 are unrated, unlisted and are secured by way of first pari-passu charge on the Company's specific assets and collaterally by pledge of the shares of one of its subsidiary & step - down subsidiary Company, pari-passu charge on assets of subsidiary company and personal guarantee of key managerial personnel. These are redeemable at a premium of 5% (for first 2 years) and 7% for remaining period on accrual basis.

Sr No	Particulars	As at September 30, 2021	As at March 31, 2021
1	Previous due date for payment of Interest on Non – Convertible Debentures (NCD)	30-June-21	31-Dec-20
2	Previous due date for repayment of Principal of NCD	30-June-21	31-Dec-20
3	Next due date and amount for payment of Interest on NCD	31-Dec-21#	30-Jun-21
4	Next due date and amount for the repayment of Principal of NCD	31-Dec-21#	30-Jun-21



#As per original schedule specified under Debenture Trust Deed.

Debenture trustee has issued letter dated October 01, 2019 with retrospective effect of event of default since October 04, 2018 (i.e. external credit rating downgrade).

11. 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 September 30, 2021.
12. The Holding Company had entered into settlement agreements with approval of NCLT in the pre-CIRP period 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.
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. The vessel was auctioned by the lender through court auction procedure during previous year.

One of the dredger 'Bhagwati Prem' which was beached at New Mangalore Port Trust (NMPT) was sold by NMPT 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 year ended March 31, 2021.

Another dredger 'Vivek Prem' was sold under court auction order of Hon'ble Gujarat High Court during the year ended March 31, 2021.

As on April 1, 2021, the Company had only two non-operating dredgers i.e. Darshini Prem and Yukti Prem which had been arrested by operational creditors and have been sold under auction through orders of the respective Hon'ble High Courts. The said court auction sale in the quarter ended September 30, 2021 has resulted in reversal of impairment provision made in the earlier financial years to the extent of Rs.4.02 crore and Rs.0.79 crore aggregating to Rs.4.81 crore.

Considering all the facts stated above, there is no depreciation charge on PPE during the quarter and half year ended September 30, 2021 with respect to PPE.

14. 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.

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.

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.

16. As on September 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
17. 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.
- 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.
- The said resignations of Mr. Sukhdarshan Singh Bedi, Independent Director and Mr. Shalabh Mittal, Chief Executive Officer and Key Managerial Personnel of the Company had been considered and taken on record at the meeting of the Board of Directors held on August 12, 2021.
18. The results for the quarter and half year ended September 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
19. The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette on 29th September, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.
20. Figures of previous periods/year 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 & Compliance Officer

Taken on Record

Girish Juneja
Resolution Professional

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

Place: Mumbai

Date: November 12, 2021