

November 09, 2023

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 Board Meeting held today i.e November 09, 2023.**

As you are aware, Mercator Limited (“the Company”) is currently under Liquidation vide Hon’ble National Company Law Tribunal, Mumbai Bench order dated February 21, 2023 (“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 Liquidator.

Pursuant to Regulation 30 (read with Part A of Schedule III) and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we wish to inform you that the Liquidator has today i.e. **Thursday, November 09, 2023**, *inter alia* considered and approved the Unaudited Financial Results for the quarter and half year ended September 30, 2023.

In terms of the provisions of Regulation 33 of the Listing Regulations and pursuant to the approval of the Liquidator & Directors of the Company, we are enclosing herewith the following:

- a. Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2023;
- b. Statement of Assets and Liabilities as on September 30, 2023;
- c. Cash Flow Statement for the half year ended on September 30, 2023;
- 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 Liquidator 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 Liquidator has not conducted any independent verification of these financial results. The Liquidator has signed these financial results in good faith, solely for the purpose of compliance and discharging his duty under the IBC. The Liquidator 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 Un-Audited Financial Results. As a result, the Un-Audited Financial Results have been approved and taken on record by the Liquidator and Directors.

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 12:44 P.M. which was adjourned and reconvened from 04:12 P.M. and concluded at 04:20 P.M.

Kindly take the same on your record.

Thanking you,

Yours faithfully,  
For **Mercator Limited**

**Mangesh Mukund Deokar Bhosale**  
**Chief Financial Officer & Compliance Officer**

Encl: A/a

*(Mercator Limited is under Liquidation vide Hon'ble National Company Law Tribunal, Mumbai Bench order dated February 21, 2023, 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 the Liquidator.)*

Mercator Limited (Under Liquidation)			
CIN NO : L63090MH1983PLCO31418			
Regd. Office: 83-87, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333			
Standalone Statement of Assets and Liabilities as at 30th September 2023			
(Rs. in Million)			
Particulars		As at	
		30-Sep-2023	31-Mar-2023
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non- Current Assets</b>		
	(a) Property, Plant and Equipment and Intangible Assets		
	Property, Plant and Equipment	6.51	6.87
	<b>(b) Financial assets</b>		
	(i) Investments	636.49	636.49
	(ii) Loans		
	(iii) Other Financial Assets	0.26	0.26
	(c) Other Non Current Assets	11.07	11.07
	(d) Income Tax Assets (net)	559.80	559.79
	<b>Total Non-Current Assets</b>	<b>1,214.12</b>	<b>1,214.47</b>
<b>2</b>	<b>Current Assets</b>		
	<b>(a) Financial Assets</b>		
	(i) Trade Receivables	417.84	417.84
	(ii) Cash and Cash Equivalents	2.62	2.02
	(iii) Bank Balances other than (ii) above	1.66	5.16
	(iv) Loans	1,308.83	1,294.54
	(v) Other Financial Assets	642.97	642.95
	<b>(b) Other Current Assets</b>	<b>244.94</b>	<b>245.06</b>
	<b>Total Current Assets</b>	<b>2,618.86</b>	<b>2,607.58</b>
	<b>TOTAL ASSETS</b>	<b>3,832.98</b>	<b>3,822.05</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share Capital	302.46	302.46
	(b) Other Equity	(10,081.19)	(10,089.96)
	<b>Total Equity</b>	<b>(9,778.73)</b>	<b>(9,787.50)</b>
<b>2</b>	<b>Non - Current Liabilities</b>		
	<b>(a) Financial Liabilities</b>		
	(i) Other Financial Liabilities	0.30	0.30
	<b>Total Non-Current Liabilities</b>	<b>0.30</b>	<b>0.30</b>
<b>3</b>	<b>Current Liabilities</b>		
	<b>(a) Financial Liabilities</b>		
	(i) Borrowings	2,253.74	2,253.74
	(ii) Trade Payables		
	- total outstanding dues of micro enterprises and small enterprises	3.63	3.63
	- total outstanding dues of creditors other than micro enterprises and small enterprises	434.52	434.08
	(iii) Other Financial Liabilities	10,829.02	10,826.93
	<b>(b) Other Current Liabilities</b>	<b>88.64</b>	<b>89.01</b>
	<b>(c) Provisions</b>	<b>1.86</b>	<b>1.86</b>
	<b>Total Current Liabilities</b>	<b>13,611.41</b>	<b>13,609.25</b>
	<b>Total Liabilities</b>	<b>13,611.71</b>	<b>13,609.55</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,832.98</b>	<b>3,822.05</b>

For and on behalf of the Board

Jagmohan Talan  
Director  
(DIN:08890353)



Powers of the board are suspended from the Insolvency Commencement Date

Mangesh M. Deokar Bhosale  
Chief Financial Officer & Compliance Officer



Taken on record by



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

Place: Mumbai  
Date: November 9, 2023

CIN NO : L63090MH1983PLC031418

(Rs. in Million)

		Standalone					
		Quarter Ended			Six Months Ended		Year Ended
		30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
		Refer Note No 21	Unaudited	Unaudited	Refer Note No 21	Unaudited	Audited
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations		-	-	-	-	-
	(b) Other income	31.12	30.40	31.42	61.51	61.89	123.79
	<b>Total Income</b>	<b>31.12</b>	<b>30.40</b>	<b>31.42</b>	<b>61.51</b>	<b>61.89</b>	<b>123.79</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of services rendered	-	-	-	-	-	-
	(b) Employee benefits expense	0.30	0.30	0.53	0.60	0.98	1.73
	(c) Finance costs	-	0.13	0.33	0.13	0.54	1.28
	(d) Depreciation and amortisation	0.18	0.18	0.20	0.35	0.40	0.80
	(e) Impairment Losses including write offs (net of reversals)	23.85	23.33	24.07	47.18	47.47	94.67
	(f) Loss on Sale / Discard of Property, Plant and Equipment	-	-	-	-	-	-
	(g) Other expenses	1.78	2.70	6.07	4.48	12.06	21.23
	(h) Provision for doubtful debts / advances (net)		-		-	-	-
	<b>Total expenses</b>	<b>26.11</b>	<b>26.64</b>	<b>31.20</b>	<b>52.73</b>	<b>61.44</b>	<b>119.71</b>
<b>3</b>	<b>Profit/(loss) from operations before exceptional items and tax (1-2)</b>	<b>5.01</b>	<b>3.76</b>	<b>0.22</b>	<b>8.77</b>	<b>0.46</b>	<b>4.08</b>
<b>4</b>	Exceptional items					-	-
<b>5</b>	<b>Profit/(loss) before tax from Continuing Operations (3 - 4)</b>	<b>5.01</b>	<b>3.76</b>	<b>0.22</b>	<b>8.77</b>	<b>0.46</b>	<b>4.08</b>
<b>6</b>	<b>Tax expense</b>						
	Current tax (including earlier year adjustment)			-	-	-	-
	Deferred tax (net)		-			-	
<b>7</b>	<b>Net profit/(loss) after tax from Continuing Operations (5 - Discontinued Operation)</b>	<b>5.01</b>	<b>3.76</b>	<b>0.22</b>	<b>8.77</b>	<b>0.46</b>	<b>4.08</b>
	Net profit/(loss) before tax from discontinued Operation				-		-
	Tax (expenses) / benefit of discontinued operation		-		-		-
<b>8</b>	<b>Net profit/(loss) after tax from Discontinued Operation</b>						
<b>9</b>	<b>Net profit/(loss) after tax</b>	<b>5.01</b>	<b>3.76</b>	<b>0.22</b>	<b>8.77</b>	<b>0.46</b>	<b>4.08</b>
<b>10</b>	<b>Items that will not be reclassified to statement of profit and loss</b>						
	Remeasurement gains /(loss) of defined benefit plans		-		-	-	-
	<b>Total Other comprehensive income /(loss)</b>				-		-
<b>11</b>	<b>Total comprehensive income /(loss) for the period/year (comprising profits and other comprehensive income for the period/year ) (9+10)</b>	<b>5.01</b>	<b>3.76</b>	<b>0.22</b>	<b>8.77</b>	<b>0.46</b>	<b>4.08</b>
<b>12</b>	<b>Profit /(Loss) attributable to for the period (net of tax)</b>						
	Owners of the company	5.01	3.76	0.22	8.77	<b>0.46</b>	4.08
<b>13</b>	<b>Other comprehensive income/ (loss) for the year (net of tax)</b>						
	Owners of the company		-		-	-	-

14	Total Comprehensive Income /(Loss) for the period / year attributable to						
	Owners of the company	5.01	3.76	0.22	8.77	0.46	4.08
15	Paid up equity share capital (FV of Re.1 per share)	302.46	302.46	302.46	302.46	302.46	302.46
16	Basic and Diluted earnings per equity share from continuing operation	0.02	0.01	0.00	0.03	0.00	0.01
17	Basic and Diluted earnings per equity share from discontinued operation	-	-	-	-	-	-
18	Basic and Diluted earnings per equity share from continuing and discontinued operation	0.02	0.01	0.00	0.03	0.00	0.01
19	Debenture Redemption Reserve	250.00	250.00	250.00	250.00	250.00	250.00
20	Capital Redemption Reserve	400.00	400.00	400.00	400.00	400.00	400.00
21	Net Worth	(10,864.07)	(10,870.32)	(10,880.98)	(10,479.25)	(10,880.98)	(10,873.78)
22	Paid up debt capital @*	126.45	126.45	126.45	126.45	126.45	126.45
23	Debt service coverage ratio (DSCR)*	0.00	0.00	0.00	0.00	0.00	0.01
24	Interest service coverage ratio (ISCR)*	NA	210.76	75.21	434.11	2.59	78.78
25	Debt equity ratio*	(0.99)	(0.99)	(0.98)	(0.99)	(0.98)	(0.98)
26	Current Ratio*	0.19	0.19	0.19	0.19	0.19	0.19
27	Long Term debt to working capital*	-	-	-	-	-	-
28	Bad debts to Account receivable ratio*	-	-	-	-	-	-
29	Current Liability ratio*	1.00	1.00	1.00	1.00	1.00	1.00
30	Total debts to total assets*	2.52	2.52	2.52	2.52	2.52	2.52
31	Debtors turnover*	-	-	-	-	-	-
32	Inventory turnover*	NA	NA	NA	NA	NA	NA
33	Operating margin*	NA	NA	NA	NA	NA	NA
34	Net Profit margin*	NA	NA	NA	NA	NA	NA

@ Paid up Debt Capital represents Unrated, Unlisted, Secured, Redeemable Non-Convertible Debentures issued on private placement basis.

\*Ratios stated in serial number 23 to 34 have not been annualised for quarterly reporting

For and on behalf of the Board

Jagmohan Talan

Director

(DIN:08890353)



Powers of the board are suspended from the Insolvency Commencement Date

Mangesh M. Deokar Bhosale

Chief Financial Officer & Compliance Officer



Taken on record by

Girish Juneja



Liquidator for Mercator Limited

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

Place: Mumbai

Date: November 9, 2023

<p style="text-align: center;"><b>Mercator Limited (Under Liquidation)</b>  <b>CIN NO : L63090MH1983PLCO31418</b>  <b>Regd. Office: 83-87, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333</b>  <b>Standalone Statement of Cash Flow for the period ended September 30, 2023</b></p>		
(Rs. in Million)		
Particulars	Period Ended 30-Sep-2023 Audited	Period Ended 30-Sep-2023 Audited
<b>A Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before taxes	8.77	0.45
<i>Adjustment for:</i>		
Depreciation and Amortisation	0.35	0.40
Credit balances written back	-	-
Finance Costs	-	-
(Profit)/Loss on sale / discard of Property, Plant and Equipments (net)	-	-
Impairment of Investments and loans to subsidiaries	47.18	47.47
Impairment of Property, Plant and Equipments	-	-
Expenses related to sale of Property, Plant and Equipments	-	-
Interest income	(61.52)	(61.89)
Unrealised foreign exchange (gain) / loss (Net)	-	-
<b>Operating profit before Working Capital changes</b>	<b>(5.21)</b>	<b>(13.58)</b>
<i>Adjustment for:</i>		
(Increase) / Decrease in Non Current Financial Assets Loans	-	-
Decrease/(Increase) in Other Financials and Current Assets	0.13	(0.61)
(Decrease)/Increase in Trade payables	0.44	1.97
(Decrease)/Increase in Other current liabilities	1.73	(15.93)
(Decrease)/Increase in Other financial liabilities	-	-
<b>Net Cash from Operating Activities</b>	<b>(2.92)</b>	<b>(28.14)</b>
Direct taxes paid (Net of refund)	(0.01)	-
<b>Total cash from / (used in) operating activities</b>	<b>(2.92)</b>	<b>(28.14)</b>
<b>Reserve</b>		
<b>B Cash Flow from Investing Activities</b>		
Proceeds from Sale of Fixed Assets	-	-
Loan realisation from / (given) to Subsidiaries	-	-
Bank deposits (Placed) / redeemed with banks (Net)	3.50	7.50
Interest Received	0.03	0.14
<b>Net Cash from Investing Activities</b>	<b>3.53</b>	<b>7.64</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Borrowings	2.27	-
Repayment of Borrowings	-	-
Interest paid	-	-
Dividend Paid (Including Dividend Distribution tax)	-	-
<b>Net Cash from Financing Activities</b>	<b>2.27</b>	<b>-</b>
<b>Net Increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>2.87</b>	<b>(20.50)</b>
Cash and Cash Equivalents as at beginning of the year	2.02	22.92
Cash and Cash Equivalents as at end of the year	<b>4.90</b>	<b>2.42</b>

<b>1 Notes to the Cash Flow Statement</b> Cash and Cash Equivalents consist of the following: Cash on Hand Balances with Bank <b>Total</b>	0.00 2.63 <b>2.63</b>	0.00 2.42 <b>2.42</b>
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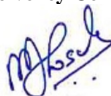
**For and on behalf of the Board**

**Jagmohan Talan**  
Director  
(DIN:08890353)




**Powers of the board are suspended from the Insolvency Commencement Date**

**Mangesh M. Deokar Bhosale**  
Chief Financial Officer & Compliance Officer



Taken on record by

**Girish Juneja**  
**Liquidator for Mercator Limited**  
**(IBBI/IPA001/IP-P00999/2017-2018/11646)**  
Place: Mumbai  
Date: November 9, 2023



**MERCATOR LIMITED**  
**NOTES FORMING PART OF STANDALONE FINANCIAL RESULTS FOR THE**  
**QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023**

1. A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404(MB)/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. 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 was extended to November 3, 2021. Further, since certain Resolutions Plans were in hand which had to be put before CoC for voting, an application seeking extension of the CIRP time period by 90 days was heard and allowed by NCLT on November 11, 2021 whereby the CIRP period was extended up to February 1, 2022. Vide order dated July 26, 2022, honourable NCLT, Mumbai has excluded period from December 28, 2022 to March 2, 2022 from the CIRP period. Accordingly, CIRP period was extended to April 7, 2022.

The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors for their consideration and the resolution plan, failed to receive the requisite votes in terms of the provisions of the code. Accordingly, an application for liquidation was filed in terms of section 33 of the Code.

NCLT, Mumbai has ordered the company to be liquidated as a going concern and Mr. Girish Siriram Juneja has been appointed as Liquidator of the company vide its order dated February 21, 2023.

Pursuant to the aforesaid order by NCLT, Liquidator is trying to liquidate the company as a going concern. Accordingly, the financial results of the Company have been prepared on a going concern basis.

2. The standalone financial results of Mercator Limited (hereinafter referred as "the Company") for the quarter and half year ended September 30, 2023 have been prepared by the Chief Financial Officer (CFO) and the management, reviewed by the Audit Committee and approved at the meeting of the Liquidator & Directors held on November 9, 2023. The Liquidator 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, 2023. 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 earlier year as well as transactions made prior to initiation of CIRP, Liquidator has relied on the representations and statements made by the Directors and the KMPs of the Company. The Liquidator 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 Liquidator has taken on record the said statement of financial 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, 2023 as followed in the previous financial year ended March 31, 2023.
5. The Auditors have expressed a Disclaimer of Opinion on these Financial Results basis the following:

**i. Going Concern**

The financial results of the Company have been prepared on a going concern basis by the management. The company has negative retained earnings as at September 30, 2023, wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net-worth. Further, the Company had since disposed-off 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, were 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, liquidation process has been initiated by Hon'ble NCLT, Mumbai. It may be noted that in consonance with the directions passed in the order, the Liquidator appointed will initiate the liquidation process as envisaged under Chapter-III of the Code by following the liquidation process given in the Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors. In view of the opinion of the Directors and KMPs, resolution and revival of the Company is possible in the foreseeable future. Further, the Liquidator 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 / Liquidator 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 received Resolution Plans from the eligible Prospective Resolution Applicants (PRA). The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the code. Accordingly, an application for liquidation was filed in terms of section 33 of the Code. NCLT, Mumbai has ordered to liquidate the company as a going concern vide its order dated February 21, 2023.

Pursuant to the aforesaid order by NCLT, Liquidator is trying to liquidate the company as a going concern. Accordingly, the financial results of the Company have been prepared on a going concern basis.

- ii. As per the Code, the Liquidator has to receive, collate, verify and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the Liquidator during the Liquidation. The impact of such claims, if any, that may arise has not been considered in the preparation of the unaudited financial results.

Principal portion of loans from financial creditors in the books of the Corporate Debtor have not been restated with the amounts admitted by Liquidator as on Insolvency Commencement Date ("ICD date") (Rs. NIL million). Total amount of claims towards principal dues of the financial creditors as on September 30, 2023 stand as under:

(Rs. In Million)		
a.	Amount of Claims received by Liquidator (inclusive of principal and interest component)	22,934.14
b.	Claims provisionally admitted by the liquidator	20,461.24

Liquidator has received claims as on 30th September 2023. The last date of the receipt of the claim was 07th April 2023. As on 07th April 2023, the total claim amount is Rs. 22,934.1 million, which includes fresh claims filed during the liquidation process and the claims submitted during the CIRP process. As per clause c of sub-regulation 2 of Regulation 12 of Liquidation of IBBI (Liquidation Process) Regulations, 2016, where a stakeholder does not submit its claims during the liquidation process, the claims submitted by such a stakeholder, and duly collated by the interim resolution professional or resolution professional, as the case may be, during the corporate insolvency resolution process under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, shall be deemed to be submitted during the liquidation process.

Secured Financial Creditors including **Bank of Baroda, J.C. Flowers Asset Reconstruction Private Limited, ICICI Bank and UTI Structured Debt Opportunities Fund I** realised their security interest according to section 52 of the Insolvency & Bankruptcy Code, 2016. These financial creditors had following security interest:

Sr. No.	Secured Financial Creditors	Security
1.	<b>Bank of Baroda</b>	Mortgage of Office Premises situated at 8th Floor, Mittal Tower, B Wing, Nariman Point, Mumbai- 400021 in the name of Mercator Limited.
2.	<b>J.C. Flowers Asset Reconstruction Private Limited</b>	First paripassu charge on movable, current and fixed assets, including plant and machinery, Insurance Contracts, raw material, current assets, semi-finished and finished goods, consumable stores and all monies, securities, contractor guarantees, performance bonds, cash flows, book debt and receivables, revenues, bank accounts together with investments, fixed deposits, films and any letter of credit provided by any person in favour of the Borrower, excluding the exploration division of the Hypothecator
3.	<b>ICICI Bank</b>	First ranking pari-passu and second ranking pari-pasu basis all rights, titles and interest in the vessels [Darshini Prem, Tridevi Prem, Vivek Prem and Uma Prem] for facility I, Facility II, Facility III and Facility IV) has not relinquished the security interest.
4.	<b>UTI Structured Debt Opportunities Fund I</b>	1 <sup>st</sup> Charge on MT Prem Mala, pledge of shares of Mercator Petroleum Limited and recoverable from Mercator Petroleum Limited and recoverable from Mercator Petroleum Limited.

- 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. February 8, 2021 onwards, on account of moratorium under section 14 of Code. In view of this, no finance cost other than bank guarantee commission has been debited in the books of accounts of the Company at standalone level during the quarter and half year ended September 30, 2023.

- 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. Basis the information available with the management until March'21, 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, which has been carried till date. 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 quarter and half year ended September 30, 2023, 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 maybe. 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. No latest information is available with the management of the Company as on September 30, 2023.
- v. Non-Current Tax Assets as on September 30, 2023 amount to Rs.559.8 million(net) includes Rs. 704.8 million 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 2018-19 against which net tax demand of Rs. 867.5 million 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. Basis the information available with the management until September 2021, MOGL had initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed, for which the proceedings were 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. 1421.9 million which had been accounted in the books of the accounts of MOGL in the earlier years (quarter ended June 30, 2019). Based on the updates available until September 2021 on the progress of the arbitration proceedings, and discussion held in earlier period with the legal counsel, the management is hopeful of a positive outcome in the claim of Rs. 19,467.3 million filed against ONGC. Accordingly, the Company has made 50% impairment for an amount of Rs. 7.22 million for the quarter ended September 30, 2023 (Rs. 14.28 million for the half year ended September 30, 2023) towards accrued interest on loan given to MOGL. Out of the total outstanding loan of Rs. 1070.93 million, unimpaired amount as on September 30, 2023 is Rs. 642.37 million after considering a provision for impairment of Rs. 428.56 million.

Further, one of the operational creditors had filed petition u/s 9 of IBC 2016 before the National Company Law Tribunal (NCLT), Mumbai Bench against MOGL and

the said application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) 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 and subsequently confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC) in their meeting held on July 27, 2021. 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 RP of Mercator Oil and Gas Ltd., the arbitration tribunal had provided further revised schedule of hearing 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 October 18, 2021, the Tribunal convened to commence the October Trial. However, ONGC was not present in the trial. On October 19, 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 was fixed for December 15, 2021. ONGC appeared on the October 22, 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) February 18, 2022 for Claimant's oral submissions in rejoinder.

Further, RP had updated that the last date of submission of Expression of Interest (EOI) by Prospective Resolution Applicants (PRAs) was October 13, 2021. The Resolution Plan was placed before CoC. However, the plan did not secure a majority vote of the CoC and accordingly an application for approval of liquidation of the Company has been filed with Honorable NCLT, Mumbai.

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. 2,227.2 million comprising of Term Loan for a total amount of Rs. 942.1 million and corporate guarantee issued to Axis Bank Ltd. (for and in behalf of MOGL) for a total amount of Rs. 1,285.1 million. The Company has received an acknowledgement of submission of claim from the RP 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 RP of MOGL has updated

that the claim of Mercator Ltd. as a financial creditor for unsecured loans (without voting rights) for Rs. 2,227.2 million have been admitted provisionally by the Interim Resolution Professional for Rs. 942.1 million. The balance amount of claim for Corporate Guarantee executed by Mercator Limited in favour of Axis Bank Limited for various credit facilities by Axis Bank to Corporate Debtor (Rs. 1285.1 million) is admitted as contingent.

A claim of Rs. 19,470 million (USD 262 Mn) was made by the subsidiary company on ONGC. In the view of the management and based on legal advice made available earlier, an estimated amount of Rs. 12,880 million (USD 173.36 Mn) could probably be awarded as payable to the subsidiary company, basis the last information available with RP/management of the company. However, any impact of the settlement will be known only after completion of the ongoing arbitration proceedings. No latest information is available with the management of the Company as on September 30, 2023.

- vii. The Company has receivable towards loan given of Rs. 991.58 million (including debentures) to Mercator Petroleum Limited (MPL) as on September 30, 2023, against which impairment of Rs. 325.16 million has been created and balance outstanding as on September 30, 2023 is Rs. 666.42 million. During the quarter ended September 30, 2023, the Company has provided additional impairment of Rs. 11.86 million (Rs. 23.47 million for the half year ended September, 2023) towards accrued interest on loan to Mercator Petroleum Limited (MPL), Rs. 4.77 million (Rs. 9.43 million for the half year ended September 30, 2023) towards interest accrued on 6% optionally convertible debentures issued by MPL, on evaluating the following criteria –
- a. In October, 2019, MPL had 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 had demanded costs and other dues to be determined as per terms and conditions of PSC. Basis the information available with the management until March 21, 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, basis the latest available information with the management, the estimated financial impact on the Company would be approx. Rs. 358 million.
  - 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 last 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. Basis the latest available information with the management, 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. RP of the said company has informed that the COC has approved one resolution plan which has been put for the approval with the adjudicating authority. Further, It has come to the knowledge of the Liquidator that the honourable NCLT, Mumbai has approved the resolution plan submitted by Indian Oil Corporation Ltd. vide its order dated November 2, 2023.

- 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, 2023 have not been made available to the Company by IRP of the said material subsidiary. In view of this, the financial statements / financial results / financial information available as on March 31, 2022, have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023.

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, financial statements / financial results / financial information of Mercator Oil and Gas Limited, one of the material subsidiary of the Company, for the quarter and half year ended September 30, 2023 have not been made available to the Company by RP of the said material subsidiary. In view of this, the financial statements / financial results / financial information available as on December 31, 2021, which are neither management / IRP certified nor audited, have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023.

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 and half year ended September 30, 2023 have not been made available by the management of the respective companies. In view of the same, the financial statements / financial results / financial information available for the period ended June 30, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023.

### **Overseas Subsidiaries –**

Latest available 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., pertain to the period ended September 30, 2021, which are neither been certified by the management or liquidator nor audited / reviewed and the same has been considered as provided by the liquidators of Mercator International Pte. Ltd., Singapore. However, the said subsidiaries have not provided their financial statements / financial results / financial information for the quarter and half year ended September 30, 2023. In view of the same, latest financial statements / financial results / financial information available for the period ended September 30, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023.

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, financial statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023.

Mercator International Pte. Ltd. (In Liquidation), a material subsidiary of the Company at Singapore, is undergoing 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, latest financial statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023.

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, financial statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023.

Financial Statements / financial results / financial information of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the quarter and half year



ended September 30, 2023 have not been provided to the Company and hence the latest unaudited financial statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023.

- ix. The Company has not been able to obtain any confirmations from 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, wherever necessary. Further, the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts as on September 30, 2023 are under reconciliation with the available regulatory records and any impact of the same will be accounted in subsequent period.
  - x. All of the directors on the Board of Directors of the Company are disqualified as on September 30, 2023 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 had received favourable orders from the relevant Courts in this matter and the formalities for restoring the shareholding in the public records was in process as per the last update received earlier. This step-down subsidiary is held through MIPL, which has been substantially impaired in the books of accounts. No latest information is available with the management of the Company as on September 30, 2023.
7. During the financial 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 June 30, 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 June 30, 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 March 31, 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.
- (iv) The Company has not received any request from MOGL and MPL requesting for further extension due for the repayment of loans and interest due thereon and hence these amounts stand due for payment as on September 30, 2022.

The Company continues to maintain its claim of interest and hence has accounted for interest from its subsidiaries amounting to Rs. 31.07 million during the quarter ended September 30, 2023 (Rs. 61.46 million for the half year ended September 30, 2023) and consequently impaired amounting to Rs. 23.85 million (Rs. 47.18 million for the half year ended September 30, 2023), based on the assessment of the financial position of the subsidiaries.

- 8. The Company has an insurance claim amounting to Rs. 542.8 million, being the balance amount payable against a total loss claim (Rs. 2252.9 million) on a vessel pertaining to the year 2012-13, which has been considered fully recoverable by the management and is supported by a legal opinion.
- 9. 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 yet another significant milestone in its battle against the pandemic, as it crossed 2000 million 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.
- 10. 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).
- 11. Promoters and Promoter Groups have sold 1,20,67,225 no. of Equity Shares of the Company during the year ended March 31, 2022. This has brought down the shareholding of the promoters in the Company to 6.84% as on March 31, 2022. There was further sale of 72,25,050 shares by promoters during the quarter ending September 30, 2022. There is no further sale of shared by promoters during the quarter ending

September 30, 2023 and the stake of promoters and promoter group as on September 30, 2023 stands at 4.45%.

12. One of the dredger 'Vivek Prem' was sold under court auction order of Hon'ble Gujarat High Court, during the year ended March 31, 2021. As on September 30, 2023, Rs. 35.4 million lying as deposit pending appropriation by the said Court.

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 had conducted 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. 40.2 million and Rs. 7.9 million aggregating to Rs. 48.1 million.

Considering all the facts stated above, there is no depreciation charge on PPE during the quarter ended June 30, 2023 with respect to PPE.

13. The Company had entered into settlement agreements with approval of NCLT in the pre-CIRP period with few operational creditors amounting to Rs. 39.4 million out of which only Rs. 15.7 million have been honoured and the balance commitment is yet to be discharged by the Company.
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.

Post reporting date, physical possession of the same has been taken by the said lender on October 3, 2023.

15. One of the lenders of the company Yes Bank Limited (YBL) has informed that pursuant to the execution of Assignment Agreement dated 16-12-2022 between YBL and J. C. Flowers Asset Reconstruction Private Limited (JCF ARC), they have absolutely assigned and transferred unto and in favour of JCF ARC, the loans and all the amounts due and monies stipulated in or payable under the financing documents by the Mercator Ltd. to YBL together with all underlying security interests (including pledges, undertakings and / or guarantee thereto) and their rights, title and interests (of whatsoever nature) in relations to the same.

16. The Company has identified only one major identifiable business segment viz Shipping (including Tankers and Dredgers) at standalone level. Hence, there is only reportable operating segment as per IND AS 108 “Operating Segments” in standalone financials.
17. The Company Secretary of the Company had resigned dated July 23, 2019 and until date of reporting, the said vacancy is yet to be filled.
18. During the previous year ended March 31, 2021, the Company has received letter from the National Stock Exchange of India Limited (“NSE”) citing non – compliance of the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires that the Board of Directors shall comprise of not less than six directors. The Company had then made submission to NSE stating that there were 5 directors on the Board of Company including a woman director. It was also informed that the strength of independent directors is more than the executive directors and the Company was making best efforts to be compliant of the regulation. The Company is making efforts to be compliant, however non – compliance continues as on September 30, 2023.
19. The results for the quarter and half year ended September 30, 2023 are available on the BSE Ltd website [www.bseindia.com](http://www.bseindia.com), National Stock Exchange of India Limited website [www.nseindia.com](http://www.nseindia.com)
20. The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette on September 29, 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.
21. Mr. Harish Kumar Mittal resigned as Director of the company vide his email dated October 21, 2022. Pursuant to provisions of section 28 of Insolvency and Bankruptcy Code, 2016 as amended from time to time, the aforesaid resignation was placed for the approval of the Committee of Creditors (CoC) of the Company at its meeting held on November 15, 2022. CoC requested Mr. Mittal to defer his decision and the same was intimated to Mr. Mittal vide letter dated 29-11-2022. However, Mr. Harish Kumar Mittal has filed e-form DIR-11 with MCA and his resignation has been taken on record by MCA w.e.f. 21-10-2022. After this, number of Directors of the company has fallen less than the minimum number prescribed by The Companies Act, 2013 for public limited companies.

22. Formulae for computation of ratios are as follows –

Sr.	Ratios	Formulae
a)	Debt Service Coverage Ratio	$\frac{\text{Earning before Depreciation, Finance Cost, Impairment, Tax}}{\text{Interest Accrued and Due + Outstanding Debt + Finance Cost + Principal Repayments made during the period}}$
b)	Interest Service Coverage Ratio	$\frac{\text{Cash Profits before Finance Cost}}{\text{Finance Cost}}$

d)	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
e)	Long term debt to working capital	$\frac{\text{Non-Current Borrowings (Including Current Maturities of Non- Current Borrowings)}}{\text{Current Assets Less Current Liabilities (Excluding Current Maturities of Non- Current Borrowings)}}$
f)	Bad - debts to Account receivable ratio	$\frac{\text{Bad Debts}}{\text{Average Trade Receivables}}$
g)	Current liability ratio	$\frac{\text{Total Current Liabilities}}{\text{Total Liabilities}}$
h)	Total debts to total assets	$\frac{\text{Total Debt}}{\text{Total Assets}}$
i)	Debtors turnover	$\frac{\text{Value of Sales \& Services}}{\text{Average Trade Receivables}}$
j)	Inventory turnover	$\frac{\text{Cost of Goods Sold (Cost of Material Consumed+ Purchases + \text{Changes in Inventory} + \text{Manufacturing Expenses})}}{\text{Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade}}$
k)	Operating margin (%)	$\frac{\text{Earnings before Interest, Tax and Exceptional Items less Other Income}}{\text{Value of Sales \& Services}}$
l)	Net profit margin (%)	$\frac{\text{Profit After Tax (after exceptional items)}}{\text{Value of Sales \& Services}}$
c)	Debt Equity Ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$

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

For **MERCATOR LIMITED**

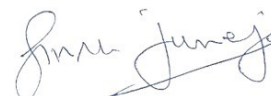


**Jagmohan Talan**  
**Director**



**Mangesh M. Deokar Bhosale**  
**Chief Financial Officer**

**Taken on Record**



**Girish Siriram Juneja**  
**Liquidator**

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

**Place:** Mumbai

**Date:** November 09, 2023



# G. P. Sharma & Co. LLP

## Chartered Accountants

**Independent Auditor's Review Report on Unaudited Standalone Financial Results of MERCATOR LIMITED for Half Year ended September 30, 2023 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

**To  
The Liquidator  
In the matter of Mercator Limited**

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

We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of **MERCATOR LIMITED** ('the Company') for quarter ended 30 September 2023 and the year to date results for the period 1 April 2023 to 30 September 2023. The "Statement" has been prepared by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').

The Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) – "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the statement based on our review.

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 the Standards on Auditing specified under section 143(10) of the Act, 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.

*The Hon'ble National Company Law Tribunal, Mumbai (NCLT) had admitted the petition of Financial Creditors under Insolvency and Bankruptcy Code (IBC) 2016 (hereinafter referred to as the "Code") vide its Order dated February 8, 2021. As per Section 17 of the IBC, the powers of the Board of Directors of the Company had been suspended and such powers had been vested with Mr. Girish Siriram Juneja as the Resolution Professional, by the NCLT vide its aforesaid order to manage the affairs of the Company as per the provisions of IBC. The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the code. Accordingly, an application for liquidation had been filed in terms of section 33 of the Code. Pursuant to the said*





application, the Company has been ordered to be liquidated as going concern vide order dated February 21, 2023 of the aforesaid bench of NCLT and Mr. Girish Siriram Juneja has been appointed as Liquidator of the company vide its order dated February 21, 2023

Because of the matter described below, we were not able to obtain sufficient appropriate audit evidences.

### **Basis for Disclaimer Conclusion**

We draw attention to –

- a. The management has prepared these Financial Statements on a going concern basis in spite of following facts and circumstances:
- NCLT, Mumbai has ordered the company to be liquidated as going concern. The Management has obtained an external legal opinion to prepare the accounts with going concern assumption.
  - The net-worth of the company has been fully eroded and is Rs.(-) 9,778.73 million as at September 30, 2023 and Rs (-) 9,787.51 million as at March 31, 2023;
  - There are no operations during the current and previous financial year and no revenue is earned except for interest on fixed deposits;
  - The Company had substantially disposed-off its Property, Plant and Equipment and currently doesn't have any operating revenue and operating assets.
  - Legal proceedings are pending before various Judicial Authorities seeking claims / compensations;
  - The financial statements and other details in respect of various subsidiaries, associates and joint ventures of the company are not available due to which we are unable to comment on the impact it may have on the carrying amount and the impairment, if any, in respect of investments, loans, advances, receivables and payable, the requirement of provisioning for guarantees provided, disclosures for liabilities crystalized or contingent.
- Interest earned on loans granted to related parties are subject to reconciliation
- No documentary evidences are available for bank balances, trade receivables loans granted
  - Recoverability of Income Tax Assets, Security and Judicial Deposits, Insurance Receivable, Other Financial Assets, Other Current and Non-Current Assets being remote

The above mentioned conditions cast significant doubt about the Company's ability to continue as a going concern. The Company may be unable to discharge its liabilities and realise its assets at book values since the amount could differ significantly from the amounts. Due to these conditions at the date of this report, we are unable to ascertain the impacts of the same on the standalone financial Statements.

- b. Note No. 5ii of the Standalone Financial Statements, regarding the balances restated in the books of accounts pursuant to admission of the claims submitted by the financial creditors as on September 30, 2023 post aforementioned NCLT order for liquidation. As confirmed by the Liquidator, (a) The amount of Claims received by the liquidator (inclusive of principal and interest component) 22,934.14 million (b) Claims provisionally



admitted by the liquidator 20,461.24 million. The impact of such claims, has not been considered in the preparation of unaudited financial result. We have relied on the adjustments, if any, made by the erstwhile Resolution Professional w.r.t. the claims received during Corporate Insolvency Resolution Process and are unable to comment on the adjustment, if any, arising on any pending claim or claim not received on the standalone financial statements of the Company

- c. Note No. 5iii 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 till date on account of Section 14 of the Code. We have relied on the erstwhile Resolution Professional and Liquidator regarding the same and are unable to comment on the adjustment, if any, on the standalone financial statements of the Company. The Management has accounted for Bank Guarantee commission as Finance Costs.
- d. Note No. 5iv regarding the Company's investments in preference shares in its wholly owned foreign subsidiary Mercator International Pte Ltd. (MIL), (which is under liquidation as per the Singapore laws), has been impaired, amounting to Rs. 4,696.98 million. The Company has not made any provision on investment in equity shares – Rs. 2.88 million) as at September 30, 2023. 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. We have been informed by the Management/Liquidator the same is the only and latest information available. Further, as informed to us, a liquidator has been appointed on MIL effective April 9, 2021. No audited financial statement of MIL are available with the Company. We are further informed that ICICI Bank which was the major lender having a charge on the coal assets of the subsidiary has assigned its loan and the securities that they held on the coal assets to a third party.

In view of the non – availability of the financials statement / financial information and updates on other matters as stated above, we are unable to comment on the value or recoverability of the said investment in subsidiary.

- e. Note No. 5v of the Standalone Financial Statements, regarding unprovided current tax demands under dispute to the tune of Rs. 867.50 million pending at various judicial forums of the Income Tax department, which are treated as contingent liabilities. In the absence of the required supporting documents justifying the stand of the Company we are unable to comment on final outcome of such contested statutory demands and the potential financial impact of the same.
- f. Note No. 5vi of the Standalone Financial Statements, regarding termination of Sagar Samrat Conversion Project (SSCP), undertaken by a subsidiary Mercator Oil & Gas Ltd. (hereinafter referred as "MOGL" or "subsidiary"), by ONGC, which is currently under arbitration. The Company has investments in equity amounting to Rs. 1.50 million, which has been fully impaired in previous years and loans amounting to Rs. 1,070.93 million and the balance as per the financial results net of impairment amounts to Rs. 642.37 million as at September 30, 2023 in MOGL, which in the view of the management / Liquidator is recoverable.

The petition filed in NCLT, Mumbai Bench by an operational creditor against MOGL was admitted vide Order dated June 30, 2021 and a Resolution Professional has been appointed. Further, the Resolution Professional had updated that the last date of submission of Expression of Interest (EOI) by Prospective Resolution Applicants (PRAs) was October 13, 2021. The Resolution Plan was placed before Committee of Creditors ('COC'). However,





the plan did not secure a majority vote of the CoC and accordingly an application for approval of liquidation of the Company has been filed with Honourable NCLT, Mumbai.

We have been informed by the management / Liquidator that no financial statement / financial results / financial information of MOGL as on September 30, 2023 is being made available to the Company.

In view of the non – availability of the financials statement / financial information and updates on other matters as stated above of MOGL as on September 30, 2023, we are unable to comment on the recoverability of such investment and loan amount.

- g. Note No. 5vii of the Standalone Financial Statements, regarding the Company's investments in its Indian subsidiary Mercator Petroleum Ltd. (hereinafter referred to as "MPL") amounting to Rs. 479.30 million, (excluding impairment of Rs.161.75 million during the year) and loan (including Debentures) given amounting to Rs. 1,307.65 million (including unserviced interest and excluding impairment of Rs. 325.16 million) as on September 30, 2023, and the balance as per the standalone financial statements including investments and loans amounts to Rs. 1,307.65 million, which are considered recoverable. Further, the petition filed in NCLT, Mumbai Bench by an operational creditor against MPL was admitted vide Order dated August 31, 2020 and a Resolution Professional (RP) has been appointed. We have been informed by the management / Liquidator that no financial statement / financial results / financial information/Resolution Process of MPL as on September 30, 2023 is being made available to the Company. We are informed that a Resolution Plan has been approved by the Committee of Creditors of MPL and has been filed for approval with the adjudicating authority by the Resolution Professional of MPL

Further, the Company has also accounted for Rs. 23.47 million as interest income which is fully impaired during the quarter ending September 30, 2023

In view of the non – availability of the financials statement / financial information and updates on other matters as stated above of MPL as on September 30, 2023, we are unable to obtain sufficient appropriate evidence about the recoverability of such investment and loan given.

- h. Note No. 5viii of the Standalone Financial Statements, regarding the fact that no Financial Statement / Financial Information (including balance confirmations) of any of the subsidiaries have been made available to the management/Liquidator for the quarter ended September 30, 2023. In the view of the non – availability of any financial information, we are unable to obtain sufficient appropriate evidence about the recoverability of such investments and loans and advances given which are outstanding as on September 30, 2023
- i. Note No. 5ix of the Standalone Financial Statements, regarding balance confirmations not been received in respect of any secured / unsecured loans, bank balance, trade receivables, trade and other payables, and loans and advances as a result of which reconciliation process and consequential adjustments, if any, has not been carried out. In the view of the management / Liquidator, all the balances outstanding to be receivable are to be considered as good and no additional provisioning on account of non – recoverability or expected credit loss is required.



Further, bank statements (except for one bank account) are also not available. In the view of the non – availability of balance confirmation or documents substantiating balances, we are unable to comment on the impact of the same on the Financial Statements of the Company and compliance of relevant Ind-AS.

Further, the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts as on September 30, 2023 are under reconciliation with the available regulatory records and any impact of the same is not known as on the date of Financial Statements.

- j. Note No. 5x of the Standalone Financial Statements, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.
- k. Note No. 8 of the Standalone Financial Statements, regarding receivable from an insurance Company amounting to Rs.542.8 million pertaining to a 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 / RP and is supported by a legal opinion. In the view of the non –availability of any information, we are unable to obtain sufficient appropriate evidence about the recoverability of such claim which are outstanding as on September 30, 2023.

Because of the significance of the matter described in the above we have not been able to obtain sufficient appropriate audit evidence as to whether this Results:

- a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as modified; and
- b. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the quarter ended September 30,2023

**For G. P. Sharma & Co LLP**  
**Chartered Accountants**  
**Firm Registration No. 109957W/W100247**

*Utkarsh Sharma*

**CA Utkarsh Sharma**  
**Partner**  
**Membership No: 147906**  
**UDIN: 23147906BGUODF5661**  
**Place: Mumbai**  
**Dated: 09/11/2023**



<b>Mercator Limited (Under Liquidation)</b> <b>CIN NO : L63090MH1983PLCO31418</b> <b>Regd. Office: 83-87, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333</b> <b>Consolidated Statement of Assets and Liabilities as at 30th September 2023</b>		
(Rs. in Million)		
Particulars	As at	
	30-Sep-2023	31-Mar-2023
<b>A ASSETS:</b>		
1 <b>Non-current assets:</b>		
(a) Property, Plant and Equipment and Intangible Assets		
Property, plant and equipment	2,148.89	2,127.65
b) Capital work in progress	36.65	36.28
c) Investment property	-	-
d) Other Intangible assets	0.30	0.32
e) Deferred Tax Assets	221.03	218.79
<b>f) Financial assets</b>		
i) Investments	-	-
ii) Loans	22.96	22.72
iii) Other financial assets	2,046.36	2,046.36
g) Other non-current assets	181.81	180.09
h) Income tax assets (net)	567.85	567.85
	<b>5,225.85</b>	<b>5,200.05</b>
2 <b>Current assets:</b>		
a) Inventories	114.82	113.66
<b>b) Financial assets</b>		
i) Investments	691.84	684.83
ii) Trade receivables	1,065.41	1,059.24
iii) Cash and cash equivalent	289.55	286.06
iv) Bank balances other than cash and cash equivalents	2.52	6.02
v) Loans	5.79	193.42
vi) Other financial assets	642.97	643.00
c) Other current assets	742.61	722.35
Non Current Assets classified as Asset Held for Sale	2,520.00	2,520.00
	<b>6,075.52</b>	<b>6,228.59</b>
<b>TOTAL ASSETS</b>	<b>11,301.37</b>	<b>11,428.64</b>
<b>B EQUITY AND LIABILITIES:</b>		
1 <b>Equity:</b>		
a) Equity share capital	302.46	302.46
b) Other equity	(17,745.99)	(14,571.84)
Non Controlling Interest	612.69	799.88
	<b>(16,830.83)</b>	<b>(13,469.49)</b>
2 <b>Non-current liabilities:</b>		
<b>a) Financial liabilities</b>		
i) Borrowings	20.72	-
ii) Other financial liabilities	166.02	164.34
b) Provisions	70.66	69.94
c) Deferred Tax Liability (Net)	-	-
	<b>257.39</b>	<b>234.29</b>
3 <b>Current liabilities:</b>		
a) Financial liabilities		
i) Borrowings	7,016.91	6,997.46
<b>ii) Trade payables</b>		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	2,066.86	1,484.00
iii) Other financial liabilities	18,022.29	15,429.18
b) Other current liabilities	766.89	751.34
c) Provision	1.86	1.86
	<b>27,874.82</b>	<b>24,663.85</b>
<b>TOTAL LIABILITIES</b>	<b>28,132.21</b>	<b>24,898.14</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,301.37</b>	<b>11,428.64</b>

For and on behalf of the Board

Jagmohan Talan  
Director  
(DIN:08890353)



Powers of the board are suspended from the Insolvency Commencement Date

Mangesh M. Deokar Bhosale  
Chief Financial Officer & Compliance Officer



Taken on record by



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

Place: Mumbai  
Date: November 9, 2023

**Mercator Limited (Under Liquidation)**

CIN NO : L63090MH1983PLCO31418

Regd. Office: 83-87, Mittal Tower, B-wing, Nariman Point, Mumbai - 400 021. Tel: 022-66373333

**Audited Financial Results For Quarter and Half Year Ended 30th September 2023**

(Rs. in Million)

Particulars		Consolidated					
		Quarter Ended			Six Months Ended		Year Ended
		30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
		Refer Note No 19	Unaudited	Unaudited	Refer Note No 19	Unaudited	Audited
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations	-	-	-	-	-	-
	(b) Other income	-	-	0.10	-	0.07	0.48
	<b>Total Income</b>	-	-	<b>0.10</b>	-	<b>0.07</b>	<b>0.48</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of services rendered	-	-	-	-	-	-
	(b) Employee benefits expense	0.30	0.30	0.50	0.60	0.93	1.73
	(c) Finance costs (incl. penal interest)	0.00	0.13	0.30	0.13	0.54	1.28
	(d) Depreciation and amortisation	0.18	0.18	0.20	0.35	0.40	0.80
	(e) Impairment Losses (net of reversal, if any)	-	-	-	-	-	0.00
	(f) Loss on Sale / Discard of Property, Plant and Equipment	-	-	-	-	-	-
	(g) Other expenses	1.78	2.70	6.10	4.48	12.06	21.23
	(h) Loss on Fair Value of Investment	-	-	-	-	-	-
	(i) Provision for doubtful debts / advances (net)	-	-	-	-	-	-
	<b>Total expenses</b>	<b>2.26</b>	<b>3.30</b>	<b>7.10</b>	<b>5.57</b>	<b>13.93</b>	<b>25.04</b>
<b>3</b>	<b>Profit/(loss) from operations before exceptional items and tax (1-2)</b>	<b>(2.26)</b>	<b>(3.30)</b>	<b>(7.00)</b>	<b>(5.57)</b>	<b>(13.86)</b>	<b>(24.56)</b>
<b>4</b>	<b>Exceptional items</b>						
<b>5</b>	<b>Profit/(loss) before tax from Continuing Operations (3 - 4)</b>	<b>(2.26)</b>	<b>(3.30)</b>	<b>(7.00)</b>	<b>(5.57)</b>	<b>(13.86)</b>	<b>(24.56)</b>
<b>6</b>	<b>Tax expense</b>						
	Current tax ( including earlier year adjustment)	-	-	-	-	-	-
	Deferred tax (net)	-	-	-	-	-	-
<b>7</b>	<b>Net profit/(loss) after tax from Continuing Operations (5 - 6)</b>	<b>(2.26)</b>	<b>(3.30)</b>	<b>(7.00)</b>	<b>(5.57)</b>	<b>(13.86)</b>	<b>(24.56)</b>
	<b>Discontinued Operation</b>						
	Net profit/(loss) before tax from discontinued Operation	-	-	-	-	-	-
	Tax (expenses) / benefit of discontinued operation	-	-	-	-	-	-
<b>8</b>	<b>Net profit/(loss) after tax from Discontinued Operation</b>			-			
<b>9</b>	<b>Net profit/(loss) after tax</b>	<b>(2.26)</b>	<b>(3.30)</b>	<b>(7.00)</b>	<b>(5.57)</b>	<b>(13.86)</b>	<b>(24.56)</b>
<b>10</b>	<b>Items that will not be reclassified to statement of profit and loss</b>						
	Remeasurement gains /(loss) of defined benefit plans	-	-	-	-	-	-
	<b>Total Other comprehensive income /(loss)</b>	-	-	-	-	-	-
<b>11</b>	<b>Total comprehensive income /(loss) for the period/year (comprising profits and other comprehensive income for the period / year )</b>	<b>(2.26)</b>	<b>(3.30)</b>	<b>(7.00)</b>	<b>(5.57)</b>	<b>(13.86)</b>	<b>(24.56)</b>
<b>12</b>	<b>Profit /(Loss) attributable to for the period (net of tax)</b>						
	Owners of the company	(2.26)	(3.30)	(7.00)	(5.57)	(13.86)	(24.56)
	Non controlling interest	-	-	-	-	-	-
<b>13</b>	<b>Other comprehensive income/ (loss) for the year (net of tax)</b>						
	Owners of the company	-	-	-	-	-	-
	Non controlling interest	-	-	-	-	-	-
<b>14</b>	<b>Total Comprehensive Income /(Loss) for the period / year attributable to</b>						
	Owners of the company	(2.26)	(3.30)	(7.00)	(5.57)	(13.86)	(24.56)
	Non controlling interest	-	-	-	-	-	-

15	Paid up equity share capital (FV of Re.1 per share)	302.46	302.46	302.46	302.46	302.46	302.46
16	Basic and Diluted earnings per equity share from continuing operation	(0.01)	(0.01)	(0.02)	(0.02)	(0.05)	(0.08)
17	Basic and Diluted earnings per equity share from discontinued operation	-	-	-			
18	Basic and Diluted earnings per equity share from continuing and discontinued operation	(0.01)	(0.01)	(0.02)	(0.02)	(0.05)	(0.08)
19	Debenture Redemption Reserve	250.00	250.00	250.00	250.00	250.00	250.00
20	Capital Redemption Reserve	400.00	400.00	400.00	400.00	400.00	400.00
21	Net Worth	(18,275.51)	(15,104.38)	(15,252.78)	(18,278.82)	(15,259.68)	(15,080.98)
22	Paid up debt capital @*	1,475.73	1,475.73	1,475.73	1,475.73	1,475.73	1,475.73
23	Debt service coverage ratio (DSCR)*	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
24	Interest service coverage ratio (ISCR)*	(7,58,821.09)	(23.66)	(21.67)	(40.11)	(23.93)	(17.57)
25	Debt equity ratio*	(0.99)	(1.24)	(1.24)	(0.99)	(1.24)	(1.24)
26	Current Ratio	0.22	0.22	0.25	0.22	0.25	0.25
27	Long Term debt to working capital	-	-	-	-	-	-
28	Bad debts to Account receivable ratio	-	-	-	-	-	-
29	Current Liability ratio	0.99	0.99	0.99	0.99	0.99	0.99
30	Total debts to total assets	1.48	1.48	1.46	1.48	1.46	1.46
31	Debtors turnover	-	-	-	-	-	-
32	Inventory turnover	NA	NA	NA	NA	NA	NA
33	Operating margin	NA	NA	NA	NA	NA	NA
34	Net Profit margin	NA	NA	NA	NA	NA	NA
<p>@Paid up Debt Capital represents Unrated, Unlisted, Secured, Redeemable Non-Convertible Debentures issued on private placement basis.</p> <p>*Ratios stated in serial number 23 to 34 have not been annualised for quarterly reporting</p>							

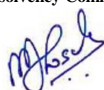
For and on behalf of the Board

Jagmohan Talan  
Director  
(DIN:08890353)



Powers of the board are suspended from the Insolvency Commencement Date

Mangesh M. Deokar Bhosale  
Chief Financial Officer & Compliance Officer



Taken on record by



Girish Juneja  
Liquidator for Mercator Limited  
(IBBI/PA001/IP-P00999/2017-2018/11646)

Place: Mumbai  
Date: November 9, 2023

**Mercator Limited (Under Liquidation)**  
**Statement of Consolidated Cash Flow for the period ended September 30, 2023**

Particulars	(Rs. in Million)	
	Period Ended September 30, 2023	Period Ended September 30, 2022
<b>A Cash Flow from Operating Activities</b>		
Net Profit / (Loss) Before Tax - continuing business	(5.57)	(13.86)
<i>Adjustment for:</i>		
Depreciation & Amortisation	0.35	0.40
Impairment of Assets - continuing operation	-	-
Finance Costs	0.13	0.54
(Profit)/Loss on fixed assets sold / discarded (net)	-	-
Other income on account of accrual written back	-	-
Recycled through other equity	(3,142.93)	(70.96)
Interest income	-	(0.07)
Bad Debts and other amounts written off/(back)	-	-
Unrealised (gain) / loss on Fair Value of Investment	-	-
Unrealised foreign exchange (gain) / loss (Net)	(192.56)	23.46
<b>Operating profit before working capital changes</b>	<b>(3,340.56)</b>	<b>(60.48)</b>
<i>Adjustment for:</i>		
Decrease/(Increase) in Other Financial and Current Assets	(1.96)	(13.10)
Decrease/(Increase) in Inventories	(1.16)	(7.78)
Decrease/(Increase) in Trade Receivables	(6.17)	(41.17)
Decrease/(Increase) in Current Financial Assets - Loans	187.64	(13.15)
Decrease/(Increase) in Current Other Financial Assets	0.03	0.08
Decrease/(Increase) in Other current assets	(20.26)	(23.49)
(Decrease)/Increase in Other Financials and Current Liabilities	2,578.28	99.08
(Decrease)/Increase in Provisions	0.72	4.79
(Decrease)/Increase in Trade Payables	582.86	46.73
<b>Net Cash from Operating Activities</b>	<b>(20.60)</b>	<b>(8.50)</b>
Direct taxes paid (Net of refund)	(0.01)	-
<b>Net Cash from Operating Activities</b>	<b>(20.60)</b>	<b>(8.50)</b>
<b>B Cash Flow from Investing Activities</b>		
(Increase) / Decrease in Capital advances/Capital creditors	-	-
Proceeds from Sale of Fixed Assets	-	-
(Purchase) / Sale of Investments	-	-
Bank deposits (Placed) / redeemed with banks (Net)	3.50	7.49
Interest Income	-	0.07
<b>Net Cash from Investing Activities</b>	<b>3.50</b>	<b>7.56</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Borrowings	20.72	-
Repayment of Borrowings	-	-
Changes in the Non-Controlling Interest	-	-
Interest paid	(0.13)	(0.54)
<b>Net Cash from Financing Activities</b>	<b>20.59</b>	<b>(0.54)</b>
<b>Net Increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>3.49</b>	<b>(1.48)</b>
Cash and Cash Equivalents as at beginning of the year	286.05	285.71
<b>Cash and Cash Equivalents as at end of the year</b>	<b>289.54</b>	<b>284.22</b>

**Cash and Cash Equivalents consist of the following:**

Cash on Hand	30.46	29.99
Balances with Bank	102.30	100.22
Fixed Deposits with Bank	156.79	154.04
<b>Total</b>	<b>289.54</b>	<b>284.26</b>

**Notes to the Cash Flow Statement**

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 done.

**For and on behalf of the Board**

**Jagmohan Talan**  
Director  
(DIN:08890353)



**Mangesh M. Deokar Bhosale**  
Chief Financial Officer

**Powers of the Board are Suspended from the Insolvency Commencement date**

Taken on record by

**Girish Siriram Juneja**  
Liquidator for  
Mercator Limited  
(IBBI/IPA001/IP-P00999/2017-2018/11646)



Place: Mumbai  
Date: November 9, 2023



<p style="text-align: center;"><b>MERCATOR LIMITED (Under Liquidation)</b>  <b>CIN NO : L63090MH1983PLCO31418</b>  <b>Regd. Office: 3rd Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333</b></p> <p style="text-align: center;"><b>SEGMENTWISE CONSOLIDATED AUDITED FINANCIAL RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER &amp; HALF YEAR ENDED SEPTEMBER 30, 2023</b></p>						
Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
	Refer Note No 19	Unaudited	Unaudited	Unaudited	Unaudited	(Audited)
<b>1. Segment Revenue</b> (net sale/income from each segment should be disclosed under this head)						
(a) Shipping	-	-	-	-	-	-
(b) Coal (Mining, Procurement and Logistics)	-	-	-	-	-	-
<b>Net sales/Income From Operations</b>	-	-	-	-	-	-
<b>2. Segment Results Profit /(Loss) before tax from each segment</b>						
(a) Shipping	8.89	3.88	0.60	8.88	0.99	5.35
(b) Coal (Mining, Procurement and Logistics)	-	-	-	-	-	-
(c) Others	(14.28)	(7.06)	(7.20)	(14.28)	(14.31)	(28.64)
Less: Interest	(0.13)	(0.13)	(0.32)	(0.13)	(0.54)	(1.28)
<b>Total Profit / ( Loss) Before Tax from Continuing Operations</b>	<b>(5.52)</b>	<b>(3.31)</b>	<b>(6.92)</b>	<b>(5.53)</b>	<b>(13.86)</b>	<b>(24.57)</b>
<b>Net profit/(loss) before tax from discontinued Operation</b>						
<b>Total Profit / ( Loss) Before Tax</b>	<b>(5.52)</b>	<b>(3.31)</b>	<b>(6.92)</b>	<b>(5.53)</b>	<b>(13.86)</b>	<b>(24.57)</b>
<b>3. Segment Assets</b>						
(a) Shipping	1,963.45	1,932.91	1,976.12	1,963.45	1,976.12	2,028.65
(b) Coal (Mining, Procurement and Logistics)	4,803.00	4,785.50	4,686.81	4,803.00	4,686.81	4,754.23
<b>Total Segment Assets</b>	<b>6,766.46</b>	<b>6,718.41</b>	<b>6,662.93</b>	<b>6,766.45</b>	<b>6,662.94</b>	<b>6,782.88</b>
Unallocable Assets	4,534.02	4,737.83	4,735.13	4,534.02	4,735.13	4,644.87
Discontinued operation	0.89	0.89	0.88	0.89	0.88	0.89
<b>Total Assets</b>	<b>11,301.37</b>	<b>11,457.13</b>	<b>11,398.95</b>	<b>11,301.37</b>	<b>11,398.95</b>	<b>11,428.63</b>
<b>4. Segment Liabilities</b>						
(a) Shipping	12,914.34	12,912.66	12,910.43	12,914.34	12,910.43	12,912.18
(b) Coal (Mining, Procurement and Logistics)	3,945.65	3,931.32	3,874.05	3,945.65	3,874.05	3,905.70
<b>Total Segment Liabilities</b>	<b>16,860.00</b>	<b>16,843.97</b>	<b>16,784.48</b>	<b>16,860.00</b>	<b>16,784.48</b>	<b>16,817.88</b>
Unallocable Liabilities	11,270.43	8,092.41	8,061.47	11,270.43	8,061.47	8,078.49
Discontinued operation	1.78	1.77	1.64	1.78	1.64	1.76
<b>Total Liabilities</b>	<b>28,132.20</b>	<b>24,938.16</b>	<b>24,847.59</b>	<b>28,132.20</b>	<b>24,847.59</b>	<b>24,898.13</b>

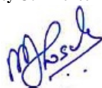
For and on behalf of the Board

**Jagmohan Talan**  
Director  
(DIN:08890353)



Powers of the board are suspended from the Insolvency Commencement Date

**Mangesh M. Deokar Bhosale**  
Chief Financial Officer & Compliance Officer



Taken on record by

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



Place: Mumbai  
Date: November 9, 2023



## MERCATOR LIMITED

### NOTES FORMING PART OF CONSOLIDATED FINANCIALS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

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. 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 was extended to November 3, 2021.

Further, since certain Resolutions Plans were in hand which had to be put before CoC for voting, an application seeking extension of the CIRP time period by 90 days was heard and allowed by NCLT on November 11, 2021 whereby the CIRP period was extended up to February 1, 2022. Vide order dated July 26, 2022, honourable NCLT, Mumbai has excluded period from December 28, 2022 to March 2, 2022 from the CIRP period. Accordingly, CIRP period was extended to April 7, 2022.

The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors for their consideration and voting but the resolution plan failed to receive the requisite votes in terms of the provisions of the code. Accordingly, an application for liquidation was filed in terms of section 33 of the Code.

NCLT, Mumbai has ordered the company to be liquidated as a going concern and Mr. Girish Siriram Juneja has been appointed as Liquidator of the company vide its order dated February 21, 2023.

Pursuant to the aforesaid order by NCLT, Liquidator is trying to liquidate the company as a going concern. Accordingly, the financial results of the Company have been prepared on a going concern basis.

2. The consolidated financial results of Mercator Limited for the quarter and half year ended September 30, 2023 have been prepared by the Chief Financial Officer (CFO) and the management, reviewed by the Audit Committee and approved at the meeting of the Liquidator & Directors held on November 9, 2023. The Liquidator with the assistance of the management of the Company and Chief Financial Officer of the Company has made all practical and reasonable efforts to prepare these quarterly results. 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 earlier 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 Liquidator 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.

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 Company has continued to follow the same accounting policies in preparation of financial results for the quarter and half year ended September 30, 2023 as followed in the previous financial year ended March 31, 2023.
5. The Auditors have expressed a Disclaimer of Opinion on these Financial Results basis the following:
  - i. Going Concern  
The financial results of the Group have been prepared on a going concern basis by the management. The Group has negative retained earnings as at September 30, 2023, 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, were 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. In

view of the opinion of the Directors and KMPs, resolution and revival of the Company is possible in the foreseeable future. Further, the Liquidator is required to make every endeavor 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/Liquidator 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 received Resolution Plans from the eligible Prospective Resolution Applicants (PRA). The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the code. Accordingly, an application for liquidation was filed in terms of section 33 of the Cod.

NCLT, Mumbai has ordered the company to be liquidated as a going concern and Mr. Girish Siriram Juneja has been appointed as Liquidator of the company vide its order dated February 21, 2023.

Pursuant to the aforesaid order by NCLT, Liquidator is trying to liquidate the company as a going concern. Accordingly, the financial results of the Company have been prepared on a 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 and half year ended September 30, 2023. 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 Liquidator has to receive, collate, verify and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the Liquidator during the Liquidation. The impact of such claims, if any, that may arise has not been considered in the preparation of the unaudited financial results.

Principal portion of loans from financial creditors in the books of the Corporate Debtor have not been restated with the amounts admitted by Liquidator as on Insolvency Commencement Date ("ICD date") (Rs. NIL million). Total amount of claims towards principal dues of the financial creditors as on June 30, 2023 stand as under:

(Rs. In Millions)		
a.	Amount of Claims received by Liquidator (inclusive of principal and interest component)	22,934.14
b.	Claims provisionally admitted by the liquidator	20,461.24

Liquidator has received claims as on 30th September 2023. The last date of the receipt of the claim was 07th April 2023. As on 07th April 2023, the total claim amount is Rs. 22,934.14 million, which includes fresh claims filed during the liquidation process and the claims submitted during the CIRP process. As per clause c of sub-regulation 2 of Regulation 12 of Liquidation of IBBI (Liquidation Process) Regulations, 2016, where a stakeholder does not submit its claims during the liquidation process, the claims submitted by such a stakeholder, and duly collated by the interim resolution professional or resolution professional, as the case may be, during the corporate insolvency resolution process under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, shall be deemed to be submitted during the liquidation process.

Secured Financial Creditors including **Bank of Baroda, J.C. Flowers Asset Reconstruction Private Limited, ICICI Bank** and **UTI Structured Debt Opportunities Fund I** realised their security interest according to section 52 of the Insolvency & Bankruptcy Code, 2016. These financial creditors had following security interest:

Sr. No.	Secured Financial Creditors	Security
1.	<b>Bank of Baroda</b>	Mortgage of Office Premises situated at 8th Floor, Mittal Tower, B Wing, Nariman Point, Mumbai- 400021 in the name of Mercator Limited.
2.	<b>J.C. Flowers Asset Reconstruction Private Limited</b>	First paripassu charge on movable, current and fixed assets, including plant and machinery, Insurance Contracts, raw material, current assets, semi-finished and finished goods, consumable stores and all monies, securities, contractor guarantees, performance bonds, cash flows, book debt and receivables, revenues, bank accounts together with investments, fixed deposits, films and any letter of credit provided by any person in favour of the Borrower, excluding the exploration division of the Hypothecator
3.	<b>ICICI Bank</b>	First ranking pari-passu and second ranking pari-pasu basis all rights, titles and interest in the vessels [Darshini Prem, Tridevi Prem, Vivek Prem and Uma Prem] for facility I, Facility II, Facility III and Facility IV) has not relinquished the security interest.
4.	<b>UTI Structured Debt Opportunities Fund I</b>	1 <sup>st</sup> Charge on MT Prem Mala, pledge of shares of Mercator Petroleum Limited and recoverable from Mercator Petroleum Limited and recoverable from Mercator Petroleum Limited.

- 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 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 ended September 30, 2023 have not been made available to the Company by IRP of the said material subsidiary. In view of this, financial Statements / financial results / financial information available for the year ended March 31, 2022, have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023.
- b) In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) vide order of NCLT dated June 30, 2021, unsigned unaudited financial statements / financial results / financial information of Mercator Oil and Gas Limited, one of the material subsidiary of the Company, for the quarter and half year ended September 30, 2023 have not been made available to the Company by RP of the said material subsidiary. In view of this, the financial statements / financial results / financial information available as on December 31, 2021, which are neither management / IRP certified nor audited, have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023. No latest information is available with the management of the Company as on September 30, 2023.
- 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 and half year ended September 30, 2023 have not been made available by the management of the respective companies. In view of the same, the financial statements / financial results / financial information available for the period ended June 30, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023.
- d) Latest available 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. pertain to the period 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. Further, the said subsidiaries have not provided their financial statements / financial results / financial information for quarter and half year ended September 30, 2023. In view of the same, the latest financial statements / financial results / financial information available for the period ended September 30, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023. No latest information is available with the management of the Company as on September 30, 2023.
- 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, financial statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023. No latest information is available with the management of the Company as on September 30, 2023.

- 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 undergoing 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 financial Statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023. No latest information is available with the management of the Company as on September 30, 2023.
- 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, financial statements / financial results / financial information available as on March 31, 2021 or last available have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023. No latest information is available with the management of the Company as on September 30, 2023.
- 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, 2023 have not been provided to the Company and hence the audited financial statements / financial results / financial information available as on March 31, 2021 (last available) have been carried to September 30, 2023 for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023. No latest information is available with the management of the Company as on September 30, 2023.

As none of the audited / reviewed Financial Statement / financial results / financial information of the Subsidiaries were available as on September 30, 2023, 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 Subsidiary Mercator Petroleum Limited and Resolution Professional (RP) for another Indian Subsidiary 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 other than bank guarantee commission has been debited in the books of accounts of Holding Company during the quarter and half year ended September 30, 2023.
- v. The Group had 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. In the absence of any financial information from the company and latest valuation report, the Group has not recognized further reduction/increase in fair value of such financial instrument in the quarter ended September 30, 2023. The fair value as on September 30, 2023 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 other valuation factors.
- vi. At standalone level, Non-Current Tax Assets as on September 30, 2023 amount to Rs. 559.8 million (net) includes Rs. 704.8 million 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 2018-19 against which net tax demand of Rs. 867.5 million has been received and contested by the Company. The management is taking steps to resolve the cases with the income tax department. Further, the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts as on September 30, 2023 are under reconciliation with the available regulatory records and any impact of the same will be accounted in subsequent period.
- vii. Regarding Mercator Oil & Gas Limited ('MOGL'), a material subsidiary:
- viii. 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. Basis the information available with the management until September 2021, MOGL had initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed, for which the proceedings were 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. 1421.9 million which had been accounted in the books of the accounts of MOGL in the earlier years (quarter ended June 30, 2019). Based on the progress of the arbitration proceedings, basis the latest available information with the management and discussion with the legal counsel earlier, the management is hopeful of a positive outcome in the claim of Rs. 19467.3 million filed against ONGC. Accordingly, the Company has made 50% impairment for an amount of Rs. 7.22 million for the quarter ended September 30, 2023 (Rs. 14.28 million for the half year ended September 30, 2023) towards accrued interest on loan given to MOGL.
- a. Further, one of the operational creditors of one of the material subsidiary had 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) and subsequently confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC) in their meeting held on July 27, 2021. 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.

- b. In terms of an update received from RP of Mercator Oil and Gas Ltd, 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 October 18, 2021, the Tribunal convened to commence the October Trial. However, ONGC was not present in the trial. On October 19, 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 December 15, 2021. ONGC appeared on the October 22, 2021 and requested for new dates for October Trial. Despite MOGL's objections, new dates for hearing were given 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) February 18, 2022 for Claimant's oral submissions in rejoinder.

Further, RP had updated that the last date of submission of Expression of Interest (EOI) by Prospective Resolution Applicants (PRAs) was October 13, 2021. The Resolution Plan was placed before CoC. However, the plan did not secure a majority vote of CoC and accordingly an application for approval of liquidation of the company has been filed with Honorable NCLT, Mumbai.

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. 2,227.2 million comprising of Term Loan for a total amount of 942.1 million and corporate guarantee issued to Axis Bank Ltd. (for and in behalf of MOGL) for a total amount of Rs. 1,285.1 million. 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. Status of the claim as updated by the Resolution Professional is that the Claim of Mercator Ltd. as a financial creditor for unsecured loans (without voting rights) for Rs. 2,227.2 million have been admitted provisionally by the Resolution Professional for Rs. 942.1 million. The balance amount of claim for Corporate Guarantee executed by Mercator Limited in favour of Axis Bank Limited for various credit facilities by Axis Bank to Corporate Debtor (Rs. 1285.1 million) is admitted as contingent.

A claim of Rs. 19,470 million (USD 262 Mn) was made by the subsidiary company on ONGC. In the view of the management and based on legal advice, an estimated amount of Rs. 12,880 million (USD 173.36 Mn) could probably be awarded as payable to the Company, basis the last



information available with RP/management of the company. However, any impact of the settlement will be known only after completion of the ongoing arbitration proceedings. No latest information is available with the management of the Company as on September 30, 2023.

- c. 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.423.5 million) 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.
- ix. Regarding Mercator Petroleum Limited (MPL), a material subsidiary:
  - a. In October, 2019, MPL had 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 had demanded costs and other dues to be determined as per terms and conditions of PSC. Basis the information available with the management until March 2021, 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, basis the latest available information with the management, the estimated financial impact would be approx. Rs. 358 million.
  - 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 last 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. Basis the latest available information with the management, 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. RP of the said company has informed that the COC has approved one resolution plan which has been put for the approval with the adjudicating authority. Further, it has come to the knowledge of the Liquidator that the honourable NCLT, Mumbai has approved the resolution plan submitted by Indian Oil Corporation Ltd. vide its order dated November 2, 2023.
  - c. During the quarter and year ended September 30, 2023, the Company has provided additional impairment of Rs. 11.86 million (Rs. 23.47 million for the half year ended September 30, 2023) towards accrued interest on loan to Mercator Petroleum Limited (MPL) and Rs. 4.77 million (Rs. 9.43 million for the half year ended September 30, 2023) towards interest accrued on 6% optionally convertible debentures issued by MPL.
- x. All of the directors on the Board of the Holding Company are disqualified as on September 30, 2023 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.

- xi. The Holding Company have 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 provided/ written off/ back these receivables/ payables/ loans and advances, wherever necessary. Further, the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts as on September 30, 2023 are under reconciliation with the available regulatory records and any impact of the same is not known as on the date of Financial Statements.
  - xii. Compliance under section 134 and 149 of Companies Act 2013 (as reported in latest last audited financial statements available by the respective auditor of subsidiary):
    - 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.
  - xiii. The Segment reporting for the quarter ended September 30, 2023 may have information which may not be accurate on account of non-availability of certain financial statement / financial results / financial information of the subsidiaries.
  - xiv. 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. 542.8 million, being the balance amount payable against a total loss claim (Rs. 2252.9 million) 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 had received favourable orders from the relevant Courts in this matter and the formalities for restoring the shareholding in the public records was in process, as per last update received earlier. No latest information is available with the management of the Company as on September 30, 2023.
8. 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. 1,6531.4 million as on March 31, 2023 the Group had committed breach of financial covenants including default in interest and instalment payments due to various Banks / financial institutions in the previous year(s), which are still continuing resulting in several banks / FIs recalling their loans.
9. Promoters and Promoter Groups have sold 1,20,67,225 no. of Equity Shares of the Company during the year ended March 31, 2022. This has brought down the shareholding of the promoters in the

Company to 6.84% as on March 31, 2022. There was further sale of 72,25,050 shares by promoters during the quarter ending September 30, 2022. There is no further sale of shares by promoters during the quarter ending September 30, 2023 and the stake of promoters and promoter group as on September 30, 2023 stands at 4.45%.

10. The Holding Company had entered into settlement agreements with approval of NCLT in the pre-CIRP period with few operational creditors amounting to Rs. 39.4 million out of which only Rs. 15.7 million had been honoured and the balance commitment is yet to be discharged by the Company.

One of the dredger 'Vivek Prem' was sold under court auction order of Hon'ble Gujarat High Court during the year ended March 31, 2021. As on September 30, 2023, Rs. 35.4 million is lying as deposit pending appropriation by the said Court.

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. Darshini Prem is under arrest by a few operational creditors, crew and port authorities. The cases filed against Darshini Prem in High court of Andhra Pradesh shall get listed in due course. Kakinada Seaports Ltd. has vide its email dated January 08, 2021 required the Company for shifting of the vessel Darshini Prem to anchorage at its cost and risk. The Company has intimated ICICI Bank Ltd, the charge holder, to initiate any action at their end, as may be deemed appropriate. Yukti Prem have been sold under auction through orders of the Hon'ble Kerala High Court. The said court had conducted 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. 40.2 million and Rs. 7.9 million aggregating to Rs. 48.1 million.

Both non-operational dredgers (arrested by creditors) with the Company, which were fully impaired in financial year 2019-20 and are carried at realisable scrap value in the books of account.

Considering all the facts stated above, there is no depreciation charge on PPE during the quarter ended September 30, 2023 with respect to PPE.

11. 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.

Post reporting date, physical possession of the same has been taken by the said lender on October 3, 2023.

12. One of the lenders of the company Yes Bank Limited (YBL) has informed that pursuant to the execution of Assignment Agreement dated 16-12-2022 between YBL and J. C. Flowers Asset Reconstruction Private Limited (JCF ARC), they have absolutely assigned and transferred unto and in favour of JCF ARC, the loans and all the amounts due and monies stipulated in or payable under the financing documents by the Mercator Ltd. to YBL together with all underlying security interests (including pledges, undertakings and / or guarantee thereto) and their rights, title and interests (of whatsoever nature) in relations to the same.

13. The Company Secretary of the Holding company had 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.

14. As on September 30, 2023, 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–
- 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).
  - Mercator Offshore (P) Pte Ltd (company has also withdrawn scheme of arrangement filed for payment of creditors linked with contingency outcome of SSCP arbitration)
  - Mercator Offshore Asset Holdings Pte Ltd
15. 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. The Company is making efforts to be compliant, however non – compliance continues as on September 30, 2023.
16. The results for the quarter and half year ended September 30, 2023 are available on the BSE Ltd website [www.bseindia.com](http://www.bseindia.com), National Stock Exchange of India Limited website [www.nseindia.com](http://www.nseindia.com)
17. Formulae for computation of ratios are as follows –

Sr.	Ratios	Formulae
a)	Debt Service Coverage Ratio	$\frac{\text{Earnings before Depreciation, Finance Cost, Impairment, Tax}}{\text{Interest Accrued and Due + Outstanding Debt Finance Cost + Principal Repayments made during the}}$
b)	Interest Service Coverage Ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$
c)	Debt Equity Ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$
d)	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
e)	Long term debt to working capital	$\frac{\text{Non-Current Borrowings (Including Current Maturities of Non- Current Borrowings)}}{\text{Current Assets Less Current Liabilities (Excluding Current Maturities of Non-Current Borrowings)}}$
f)	Bad debts to Account receivable ratio	$\frac{\text{Bad Debts}}{\text{Average Trade Receivables}}$

g)	Current liability ratio	$\frac{\text{Total Current Liabilities}}{\text{Total Liabilities}}$
h)	Total debts to total assets	$\frac{\text{Total Debt}}{\text{Total Assets}}$
i)	Debtors turnover	$\frac{\text{Value of Sales \& Services}}{\text{Average Trade Receivables}}$
j)	Inventory turnover	$\frac{\text{Cost of Goods Sold (Cost of Material Consumed+ Purchases + Changes in Inventory + Manufacturing Expenses)}}{\text{Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade}}$
k)	Operating margin (%)	$\frac{\text{Earnings before Interest, Tax and Exceptional Items less Other Income}}{\text{Value of Sales \& Services}}$
l)	Net profit margin (%)	$\frac{\text{Profit After Tax (after exceptional items)}}{\text{Value of Sales \& Services}}$

18. 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.
19. Mr. Harish Kumar Mittal resigned as Director of the company vide his email dated October 21, 2022. Pursuant to provisions of section 28 of Insolvency and Bankruptcy Code, 2016 as amended from time to time, the aforesaid resignation was placed for the approval of the Committee of Creditors (CoC) of the Company at its meeting held on November 15, 2022. CoC requested Mr. Mittal to defer his decision and the same was intimated to Mr. Mittal vide letter dated 29-11-2022. However, Mr. Harish Kumar Mittal has filed e-form DIR-11 with MCA and his resignation has been taken on record by MCA w.e.f. 21-10-2022. After this, number of Directors of the company has fallen less than the minimum number prescribed by The Companies Act, 2013 for public limited companies.
20. Figures of previous periods/year have been regrouped / reclassified wherever necessary to conform to current period classification.

For **MERCATOR LIMITED**

**Taken on Record**





Jagmohan Talan  
**Director**

Mangesh M. Deokar Bhosale  
**Chief Financial Officer**

Girish Siriram Juneja  
**Liquidator**

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

**Place:** Mumbai

**Date:** November 9, 2023



# G. P. Sharma & Co. LLP

## Chartered Accountants

*Independent Auditor's Review Report on Unaudited Consolidated Financial Results of MERCATOR LIMITED for Half Year ended September 30, 2023 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015*

To  
**The Liquidator**  
**In the matter of Mercator Limited**  
IBBI Reg. No.: IBBI/IPA-001/IP-P00999/2017-2018/11646

We have reviewed the accompanying statement of unaudited consolidated financial results ('the statement') of **MERCATOR LIMITED** ('the Parent') and its subsidiary (the Parent and its subsidiary together referred to as "the Group") for the quarter ended 30 September 2023 and the year to date results for the period 1 April 2023 to 30 September 2023. The Statement has been prepared by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

The Statement, which is the responsibility of the Parent's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) – "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the statement based on our review.

We conducted our review of the Statement 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. 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 the Standards on Auditing specified under section 143(10) of the Act, 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.

*The Hon'ble National Company Law Tribunal, Mumbai (NCLT) had admitted the petition of Financial Creditors under Insolvency and Bankruptcy Code (IBC) 2016 (hereinafter referred to as the "Code") vide its Order dated February 8, 2021. As per Section 17 of the IBC, the powers of the Board of Directors of the Company had been suspended and such powers had been vested with Mr. Girish Siriram Juneja as the Resolution Professional, by the NCLT vide its aforesaid order to manage the affairs of the Company as per the provisions of IBC. The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the code. Accordingly, an application for liquidation had been filed in terms of section 33 of the Code. Pursuant to the said application, the Company has been ordered to be liquidated*





as going concern vide order dated February 21, 2023 of the aforesaid bench of NCLT and Mr. Girish Siriram Juneja has been appointed as Liquidator of the company vide its order dated February 21, 2023

Because of the matter described below, we were not able to obtain sufficient appropriate audit evidences.

#### **Basis for Disclaimer Conclusion**

We draw your attention to the following:-

- ) 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** (refer 'Annexure-A') have been reviewed as at and for the quarter and year ended **September 30, 2023** 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. Further, in the absence of latest details/ records in respect of all the components being available, we are unable to communicate with the component auditors.

As detailed in the Notes to Consolidated Financial Statements by the Management, wherever financial statement / financial results / financial information of companies is not available for the quarter ended September 30, 2023, the latest information (as stated below) are considered in preparation of the Consolidated Financial results of the Holding Company, which is not in compliance with the requirements of Ind AS — 110 issued by ICAI. Further, the details w.r.t. joint ventures as required under Ind AS 110 and SEBI (LODR) Regulation, 2015 have not been disclosed.

Status of financial information considered in preparing Consolidated Financial Results is as under –

<b>Sr. No.</b>	<b>Company Name of the Subsidiary</b>	<b>Financial Statement / Financial Results / Financial Information available for the period ended (As informed by the Management and relied upon without</b>	<b>Whether financial statement / financial results / financial information available is audited / reviewed / management certified</b>
<b>1</b>	<b>Mercator Oil and Gas Limited</b>	<b>December' 2021</b>	<b>Not Available</b>
<b>2</b>	<b>Mercator Petroleum Limited</b>	<b>March'2022</b>	<b>Not Available</b>
<b>3</b>	<b>Oorja Resources India Private</b>	<b>June' 2021</b>	<b>Not Available</b>
<b>4</b>	<b>Mercator Dredging Private Limited. (FPSO) (Formerly Mercator Offshore Logistic</b>	<b>June' 2021</b>	<b>Not Available</b>
<b>5</b>	<b>Mercator Ocean transport</b>	<b>June' 2021</b>	<b>Not Available</b>
<b>6</b>	<b>Mercator International Pte.</b>	<b>March'2021</b>	<b>Under Liquidation</b>
<b>7</b>	<b>Offshore Holdings Company Pte.</b>	<b>March'2021</b>	<b>Not Available</b>
<b>8</b>	<b>Oorja Holdings Pte. Limited.</b>	<b>September' 2021</b>	<b>Not Available</b>
<b>9</b>	<b>Mercator Energy Pte Limited</b>	<b>June'2020</b>	<b>Under Liquidation</b>
<b>10</b>	<b>Mercator Offshore Assets</b>	<b>June'2020</b>	<b>Under Liquidation</b>
<b>11</b>	<b>Holding Pte Limited. Mercator Offshore (P) Pte</b>	<b>June'2020</b>	<b>Under Liquidation</b>



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	Under Liquidation
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	March'2020	Not Available

However, the Management / Liquidator of the Holding Company are confident that the Holding Company still maintains the control on the aforementioned subsidiaries, as defined in Ind - AS 110 "Consolidated Financial Statements", and is being considered in preparation of the Consolidated Financial Results of the Holding Company basis the information available

In the absence of details of transactions and balances outstanding with components within the group, the elimination of transactions and balances outstanding within the group done in the consolidated financial results could not be verified by us. Further, the transactions / balances within the group in the books of the holding company have also not been fully eliminated in the absence of relevant details. The details in respect of amounts appearing under Other Comprehensive Income w.r.t. components is not available due to which we are unable to comment on the same. The same is not in compliance with the requirements of Ind AS 110 issued by ICAI. Note no. 5(xiii) & 5(xiv), regarding non - availability of requisite information for preparation of segment reporting, Statement of Cash Flow and assumptions considered for eliminations. The requirements of Ind AS - 110 issued by ICAI such as alignment of accounting policies of all component and holding company have not been complied with. Impact, whereof, if any, is not ascertainable in the absence of relevant details being made available. The holding company has considered closing rate for translation of assets and liabilities, translation of items appearing in statement of profit and loss of foreign components, which is not in line with requirements of Ind AS 21.

Note No. 5(xii), regarding non - compliance of Section 134 and 149 of the Companies Act 2013 in case of certain material subsidiaries.

#### **In respect of the Holding Company**

We draw attention to –

- a. The management has prepared these Financial Statements on a going concern basis in spite of following facts and circumstances:
  - i. NCLT, Mumbai has ordered the company to be liquidated as going concern. The Management has obtained an external legal opinion to prepare the accounts with going concern assumption.
  - ii. The net-worth of the company has been fully eroded and is Rs.(-) 9,778.73 million as at September 30, 2023 and Rs (-)9,787.51 million as at March 31, 2023;





- iii. There are no operations during the current and previous financial year and no revenue is earned except for interest on fixed deposits;
- iv. The Company had substantially disposed-off its Property, Plant and Equipment and currently doesn't have any operating revenue and operating assets.
- v. Legal proceedings are pending before various Judicial Authorities seeking claims / compensations;
- vi. The financial statements and other details in respect of various subsidiaries, associates and joint ventures of the company are not available due to which we are unable to comment on the impact it may have on the carrying amount and the impairment, if any, in respect of investments, loans, advances, receivables and payable, the requirement of provisioning for guarantees provided, disclosures for liabilities crystalized or contingent. Interest earned on loans granted to related parties are subject to reconciliation
- vii. No documentary evidences are available for bank balances, trade receivables loans granted
- viii. Recoverability of Income Tax Assets, Security and Judicial Deposits, Insurance Receivable, Other Financial Assets, Other Current and Non-Current Assets being remote

The above mentioned conditions cast significant doubt about the Company's ability to continue as a going concern. The Company may be unable to discharge its liabilities and realise its assets at book values since the amount could differ significantly from the amounts. Due to these conditions at the date of this report, we are unable to ascertain the impacts of the same on the standalone financial Statements.

- b. Note No. 5ii of the Standalone Financial Statements, regarding the balances restated in the books of accounts pursuant to admission of the claims submitted by the financial creditors as on September 30, 2023 post aforementioned NCLT order for liquidation. As confirmed by the Liquidator, (a) The amount of Claims received by the liquidator (inclusive of principal and interest component) 22,934.14 million (b) Claims provisionally admitted by the liquidator 20,461.24 million . The impact of such claims, has not been considered in the preparation of unaudited financial result. We have relied on the adjustments, if any, made by the erstwhile Resolution Professional w.r.t. the claims received during Corporate Insolvency Resolution Process and are unable to comment on the adjustment, if any, arising on any pending claim or claim not received on the standalone financial statements of the Company.
- c. Note No. 5iii 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 till date on account of Section 14 of the Code. We have relied on the erstwhile Resolution Professional and Liquidator regarding the same and are unable to comment on the adjustment, if any, on the standalone financial statements of the Company. The Management has accounted for Bank Guarantee commission as Finance Costs.
- d. Note No. 5iv regarding the Company's investments in preference shares in its wholly owned foreign subsidiary Mercator International Pte Ltd. (MIL), (which is under liquidation as per the Singapore laws), has been impaired in full, amounting to Rs. **4,696.98** million. The Company has not made any provision on investment in equity shares – Rs. 2.88 million) as on September 30, 2023. 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. We have been informed by the Management/Liquidator the same is the only and latest information available. Further, as informed to us, a liquidator has been appointed on MIL effective April 9, 2021. No audited financial statement of MIL are available with the Company. We are further informed that ICICI Bank which was the major lender having a charge on the coal assets of the subsidiary has assigned its loan and the securities that they held on the coal assets to a third party.

In view of the non – availability of the financials statement / financial information and updates on other matters as stated above, we are unable to comment on the value or recoverability of the said investment in subsidiary.



- e. Note No. 5v of the Standalone Financial Statements, regarding unprovided current tax demands under dispute to the tune of Rs. 867.50 million pending at various judicial forums of the Income Tax department, which are treated as contingent liabilities. In the absence of the required supporting documents justifying the stand of the Company we are unable to comment on final outcome of such contested statutory demands and the potential financial impact of the same.
- f. Note No. 5vi of the Standalone Financial Statements, regarding termination of Sagar Samrat Conversion Project (SSCP), undertaken by a subsidiary Mercator Oil & Gas Ltd. (hereinafter referred as "MOGL" or "subsidiary"), by ONGC, which is currently under arbitration. The Company has investments in equity amounting to Rs. 1.50 million, which has been fully impaired in previous years and loans amounting to Rs. 1,070.93 million and the balance as per the financial results net of impairment amounts to Rs. 642.37 million as at September 30, 2023 in MOGL, which in the view of the management / Liquidator is recoverable.

The petition filed in NCLT, Mumbai Bench by an operational creditor against MOGL was admitted vide Order dated June 30, 2021 and a Resolution Professional has been appointed. Further, the Resolution Professional had updated that the last date of submission of Expression of Interest (EOI) by Prospective Resolution Applicants (PRAs) was October 13, 2021. The Resolution Plan was placed before Committee of Creditors ('COC'). However, the plan did not secure a majority vote of the CoC and accordingly an application for approval of liquidation of the Company has been filed with Honourable NCLT, Mumbai.

We have been informed by the management / Liquidator that no financial statement / financial results / financial information of MOGL as on September 30, 2023 is being made available to the Company.

In view of the non – availability of the financials statement / financial information and updates on other matters as stated above of MOGL as on September 30, 2023, we are unable to comment on the recoverability of such investment and loan amount.

- g. Note No. 5vii of the Standalone Financial Statements, regarding the Company's investments in its Indian subsidiary Mercator Petroleum Ltd. (hereinafter referred to as "MPL") amounting to Rs. 479.30 million, (excluding impairment of Rs.161.75 million during the year) and loan (including Debentures) given amounting to Rs. 1,307.65 million (including unserviced interest and excluding impairment of Rs. 345.42 million) as on September 30, 2023, and the balance as per the standalone financial statements including investments and loans amounts to Rs. 1,307.65 million, which are considered recoverable. Further, the petition filed in NCLT, Mumbai Bench by an operational creditor against MPL was admitted vide Order dated August 31, 2020 and a Resolution Professional (RP) has been appointed. We have been informed by the management / Liquidator that no financial statement / financial results / financial information/Resolution Process of MPL as on June 30, 2023 is being made available to the Company. We are informed that a Resolution Plan has been approved by the Committee of Creditors of MPL and has been filed for approval with the adjudicating authority by the Resolution Professional of MPL

Further, the Company has also accounted for Rs. 23.47 million as interest income which is fully impaired during the year. In view of the non – availability of the financials statement / financial information and updates on other matters as stated above of MPL as on September 30, 2023, we are unable to obtain sufficient appropriate evidence about the recoverability of such investment and loan given.

- h. Note No. 5viii of the Standalone Financial Statements, regarding the fact that no Financial Statement / Financial Information (including balance confirmations) of any of the subsidiaries have been made available to the management/Liquidator for the quarter ended September 30, 2023. In the view of the non – availability of any financial





information, we are unable to obtain sufficient appropriate evidence about the recoverability of such investments and loans and advances given which are outstanding as on September 30, 2023

- i. Note No. 5ix of the Standalone Financial Statements, regarding balance confirmations not been received in respect of any secured / unsecured loans, bank balance, trade receivables, trade and other payables, and loans and advances as a result of which reconciliation process and consequential adjustments, if any, has not been carried out. In the view of the management / Liquidator, all the balances outstanding to be receivable are to be considered as good and no additional provisioning on account of non – recoverability or expected credit loss is required.

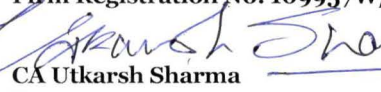
Further, bank statements (except for one bank account) are also not available. In the view of the non – availability of balance confirmation or documents substantiating balances, we are unable to comment on the impact of the same on the Financial Statements of the Company and compliance of relevant Ind-AS. Further, the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts as on September 30, 2023 are under reconciliation with the available regulatory records and any impact of the same is not known as on the date of Financial Statements.

- j. Note No. 5x of the Standalone Financial Statements, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.
- k. Note No. 8 of the Standalone Financial Statements, regarding receivable from an insurance Company amounting to Rs.542.8 million pertaining to a 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 / RP and is supported by a legal opinion. In the view of the non –availability of any information, we are unable to obtain sufficient appropriate evidence about the recoverability of such claim which are outstanding as on September 30, 2023.

Because of the significance of the matter described in the above we have not been able to obtain sufficient appropriate audit evidence as to whether this Results:

- a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and, Disclosure Requirements) Regulations, 2015, as modified; and
- b. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and total comprehensive loss and other financial information of the Group for the quarter ended September 30, 2023.

**For G. P. Sharma & Co LLP**  
**Chartered Accountants**  
**Firm Registration No. 109957W/W100247**

  
**CA Utkarsh Sharma**  
**Partner**  
**Membership No: 147906**  
**UDIN: 23147906BGUODG5843**  
**Place: Mumbai**  
**Dated: 09/11/2023**

