MERCATOR
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Ref: ML/SE/2019-20/101

February 13, 2020

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: Compliance of Regulation 33 of the SEBI (LODR) Regulations, 2015

We wish to inform you that the Board of Directors of the Company at its meeting held today, has inter alia; approved the Un-audited Standalone & Consolidated Financial Results for the quarter and nine months ended December 31, 2019.

Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015 we enclose the following:-

1. Unaudited Standalone & Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2019.

2. Unaudited Standalone & Consolidated Segment Wise Revenue Results of the Company for the quarter and nine months ended December 31, 2019 along with Limited Review Report.

3. Limited Review Report on the Standalone & Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2019.

The meeting of the Board of Directors commenced at 12.30 p.m. and concluded at 7.30 p.m.

Please acknowledge.

Thanking you,

Yours faithfully,
For Mercator Limited

MERCATOR LIMITED MUMBAI

Rajendra Kothari
CFO & Compliance Officer

MERCATOR LIMITED
(CIN : L63090MH1983PLC031418)
83-87, 8th Floor, Mittal Tower - B, Nariman Point, Mumbai - 400021, India. Tel: +91 22 66373333 Fax: +91 22 66373344 mercator@mercator.in

Mercator Limited
CIN NO : L63090MH1983PLCO31418

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

Unaudited Financial Results For Quarter and Nine Months Ended December 31, 2019

(Rs. in crore)

	Particulars	Standalone					
		Quarter ended			Nine Months Ended		Year Ended
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	34.35	38.34	82.27	102.78	257.22	311.96
	(b) Other income	2.82	3.40	40.48	9.86	67.17	76.61
	Total Income	**37.17**	**41.74**	**122.75**	**112.64**	**324.39**	**388.57**
2	Expenses						
	(a) Cost of services rendered	35.59	32.53	54.77	85.69	154.08	212.76
	(b) Employee benefits expense	2.22	2.69	4.91	8.39	13.02	17.41
	(c) Finance costs	52.57	76.94	27.74	146.12	90.42	116.92
	(d) Depreciation and amortisation	6.96	14.41	33.23	35.21	102.49	123.72
	(e) Impairment Losses	(22.35)	217.73	-	306.54	-	53.45
	(f) Other expenses	2.45	15.54	27.61	21.95	33.64	13.95
	(g) Loss on Sale / Discard of Fixed Asset	-	-	73.50		73.50	73.50
	(h) Provision for doubtful debts/advances	-	-	77.26		77.26	95.60
	Total expenses	**77.44**	**359.84**	**299.02**	**603.90**	**544.41**	**707.31**
3	**Profit/(loss) from operations before exceptional items and tax (1-2)**	**(40.27)**	**(318.10)**	**(176.27)**	**(491.26)**	**(220.02)**	**(318.74)**
4	Exceptional items	-	-	-	-	-	(181.38)
5	**Profit/(loss) before tax from Continuing Operations (3 - 4)**	**(40.27)**	**(318.10)**	**(176.27)**	**(491.26)**	**(220.02)**	**(500.12)**
6	**Tax expense**						
	Current tax (including earlier year adjustment)	(1.30)	(1.30)	(7.05)	(3.90)	(9.73)	(11.33)
	Deferred tax (net)	-	-	-	-	-	-
7	**Net profit/(loss) after tax from Continuing Operations (5-6)**	**(41.57)**	**(319.40)**	**(183.32)**	**(495.16)**	**(229.75)**	**(511.45)**
	Discontinued Operations						
	Net profit/(loss) before tax from discontinued operations	-	-	-	-	-	-
	Tax (expenses) / benefit of discontinued operations	-	-	-	-	-	-
8	**Net profit/(loss) after tax from Discontinued Operations**	-	-	-	-	-	-
9	**Net profit/(loss) after tax**	**(41.57)**	**(319.40)**	**(183.32)**	**(495.16)**	**(229.75)**	**(511.45)**
10	**Items that will not be reclassified to statement of profit and loss**						
	Remeasurement gains/(loss) of defined benefit plans	(0.08)	(0.03)	(0.06)	(0.14)	(0.04)	(0.12)
	Total Other comprehensive income/(loss)	**(0.08)**	**(0.03)**	**(0.06)**	**(0.14)**	**(0.04)**	**(0.12)**
11	**Total comprehensive income/(loss) for the period/year (comprising profits and other comprehensive income for the period/year) (9+10)**	**(41.65)**	**(319.43)**	**(183.38)**	**(495.30)**	**(229.79)**	**(511.57)**
12	**Profit/(Loss) attributable to for the period (net of tax)**						
	Owners of the company	(41.57)	(319.40)	(183.32)	(495.16)	(229.75)	(511.45)
	Non controlling interest	-	-	-	-	-	
13	**Other comprehensive income/(loss) for the year (net of tax)**						
	Owners of the company	(0.08)	(0.03)	(0.06)	(0.14)	(0.04)	(0.12)
	Non controlling interest	-	-	-	-	-	
14	**Total Comprehensive Income/(Loss) for the period / year attributable to**						
	Owners of the company	(41.65)	(319.43)	(183.38)	(495.30)	(229.79)	(511.57)
	Non controlling interest	-	-	-	-	-	
15	**Paid up equity share capital (FV of Re.1 per share)**	30.25	30.25	30.25	30.25	30.25	30.25
16	**Basic and Diluted earnings per equity share from continuing operations**	(1.37)	(10.56)	(6.06)	(16.37)	(7.60)	(16.91)
17	**Basic and Diluted earnings per equity share from discontinued operations**	-	-	-	-	-	-
18	**Basic and Diluted earnings per equity share from continuing and discontinued operations**	(1.37)	(10.56)	(6.06)	(16.37)	(7.60)	(16.91)

MERCATOR LIMITED

NOTES FORMING PART OF STANDALONE FINANCIALS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

1. The standalone financial results of Mercator Limited (hereinafter referred as "the Company") for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on February 13, 2020.

2. The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("IND AS") prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.

3. Effective April 1, 2019, the Company has adopted IND-AS 116 "Leases" on all material lease arrangement existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment amounting to Rs. 0.34 crore to retained earnings, on the date of initial application. Accordingly comparatives for the year ended March 31, 2019 have not been adjusted. The effect of IND AS 116 on the loss before tax, loss for the quarter and earnings per share is not material.

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

   <u>Going Concern</u>:

   i. The financial results of the Company have been prepared on a going concern basis by the management. The Group has incurred significant losses and its net worth is substantially eroded in addition to defaults with lenders and credit downgrades. The current liabilities substantially exceed the current assets and large sums of money are in dispute which is not readily realisable. Certain cases have been filed by operational creditors and two financial creditors in National Company Law Tribunal (NCLT) against the Company. Since, none of the petitions filed against the Company under the IBC have been admitted and the corporate insolvency resolution process has not been initiated, the management is making its best efforts to restructure its business activities and to achieve favourable order in the ongoing litigations in order to protect the value of its assets. In view of these efforts, the management feels that the going concern basis of preparation of financial results is appropriate.

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

   If the claim of said minority shareholder holds valid, the Company is exposed to risk of realisation of investment of Rs 403.34 crore as on December 31, 2019.

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MERCATOR LIMITED * MUMBAI *

iii. Current Tax Assets (net) as on December 31, 2019 includes Rs. 75.91 crore (net of provision of Rs. 62.80 crore) which has not been settled due to ongoing tax assessment for the various Assessment Years up to AY 2015-16 against which net tax demand of Rs. 63.18 crore has been received and contested by the Company. Considering the various judicial pronouncements and submissions made so far, the management is hopeful of a favourable outcome of these pending litigations.

iv. In October, 2019, one of the subsidiaries has received a notice from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per terms and conditions of PSC. The subsidiary is confident of defending the amounts claimed by Directorate General of Hydrocarbon (DGH).

v. The Board of Director has approved strategic sale of participating interest in oil block CB-ONN-205/9 (CB-9) of its material subsidiary Mercator Petroleum Limited. The sale is subject to approval of specific financial lenders and various regulatory approvals. The Company has also obtained approval of shareholders of the Company through Postal Ballot. Necessary due diligence and evaluation is in process as on date of reporting.

Further to this approval, one of the financials lenders of the Company has filed miscellaneous application praying directions from the NCLT for restraining the Company and MPL from taking any steps for sale of participating interest in such CB-9 (Oil Block). Interim order has been passed by the NCLT on January 15, 2020 in the Application of financial lender restraining the Company from concluding the sale of any asset of the MPL and maintain status quo until further instructions / hearings.

Referring to clause (iv) and (v) above, in case of rejection of subsidiary's contention, the estimated financial impact would not greater than Rs. 150.51 crore.

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. MOGL has since initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed. The proceedings are underway.

Based on the order of Hon'ble Bombay High Court dated July 29, 2019, ONGC had invoked Bank Guarantee amounting to Rs. 142.19 crore which had been accounted in the books of the accounts of MOGL in the quarter ended June 30, 2019. In view of the management which is also supported by the legal opinion, the claim made by the subsidiary on ONGC holds good and no adverse impact is envisaged on financial statements

5. The Company has an insurance claim amounting to Rs. 54.28 Crore, pertaining to total loss claim on a vessel pertaining to the year 2012-13, which has been considered fully recoverable by the management and is supported by a legal opinion.

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6. Based on the management's decision to dispose of its fleet of dredgers (subject to consent from respective lenders) and carry on dredging business on asset light model, the Company had evaluated the impairment on these dredgers & certain ships and had accordingly provided in earlier quarters an impairment loss of Rs. 328.89 crore and out of which Rs. 10.40 crore has been reversed on account of higher sale realisation during the quarter ended December 31, 2019.

   As on December 31, 2019 –

   a. the vessel "MT Prem Mala" is under arrest by financial creditor along with an operational creditor;

   b. for the vessel "MT Hansa Prem", the financial creditor has exercised its rights under deed of mortgage to enforce the statutory first priority sole registered mortgage over said vessel by initiating a private sale to recover financial dues.

   Both the vessels have been valued at Net Realisable Value (NRV) during previous quarters and has been classified as "Non – Current Asset Held for Sale" during the quarter. The Company has already accounted for the impairment loss in earlier quarters.

7. On August 31, 2019, TSHD Tridevi Prem (written down value of Rs 6.71 crore) has developed leak and capsized at New Mangalore anchorage. The management has provided full value of the assets and its associated outstanding dry dock amortisation in the books in earlier quarters.

8. Finance cost amounting to Rs 146.12 crore as on December 31, 2019 includes Rs 59.58 crore towards penal interest levied by lender(s) on loans recalled / event of default, which includes Rs. 12.45 crore debited during the quarter.

9. The Board of Directors of the Company has approved sale of vessels namely FSO Prem Pride and MT Prem Mala and postal ballot approval by the shareholders of the Company for making such sale has been obtained on November 11, 2019.

   During the quarter, the Company has entered into MOA dated December 20, 2019 for sale of its vessel "FSO Prem Pride" at total consideration of Rs. 49.54 crore, which has resulted into reversal of net impairment loss of Rs 8.72 crore on account of difference between sale price and price considered for impairment. The partial sales proceeds received during the quarter from such sale has been utilised for the repayment of Loan. The vessel was delivered to the buyer on January 16, 2020 and hence, the asset has been classified as "Non – Current Asset Held for Sale" as on December 31, 2019 at the net realisable value.

   Further, dredger "Uma Prem" has been arrested by one of the operational creditor wherein Ho'ble High Court of Bombay has ordered for sale through court proceedings and under that, the said dredger has been sold for Rs 2.70 crore. Sale consideration has been deposited with the Court and will be allocated to all concerned parties involved (including one of the financial creditor). This has resulted into reversal of impairment loss of Rs 1.68 crore in this quarter on account of difference between the sale price and price considered for impairment. Since the order of the court is dated January 30, 2020, the asset has been classified as "Non – Current Asset Held for Sale" as on December 31, 2019 at the net realisable value.

10. Proceedings have been filed by a few operational creditors and two financial creditors namely ICICI Bank Limited (ICICI) and State Bank of India (SBI) against Mercator Limited (Corporate

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Debtor/Company) under the Insolvency and Bankruptcy Code, 2016 (IBC) for recovery of their respective outstanding dues. None of the petitions filed against the Company under the IBC have been admitted and thus, the corporate insolvency resolution process has not been initiated in respect of the Company yet.

11. One of the financial lenders of the Wholly Owned Foreign Subsidiary has recalled loan in the month of May 2019 and further to that they have filed case in Singapore High Court for recovery of their outstanding dues. Proceedings under applicable law is in process and no final order being issued yet as on December 31, 2019.

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

    Further, in respect of Loans outstanding aggregating to Rs. 976.72 crore as on December 31, 2019 the Company and certain of its Indian / foreign subsidiaries have committed breach of financial covenants including default in interest and instalment payments due to various Banks / financial institutions which are still continuing. As on December 31, 2019, certain lenders have recalled their Loans aggregating to Rs. 751.60 crore.

    In addition to above, certain Non-Banking Finance Companies (NBFC) have invoked 31,220,738 equity shares of the promoters pledged with them aggregating to Rs. 13.13 crore which has been adjusted against the amount lent to the Company. The promoters have sought for compensation from the Company, which is valued at Rs. 2.29 crore as on December 31, 2019, on the basis of the closing traded price for the last two trading days on a mark to market basis as on the reporting date.

13. 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.

14. The results for the quarter ended December 31, 2019 are available on the BSE Ltd website www.bseindia.com, National Stock Exchange of India Limited website www.nseindia.com and the Company's website www.mercator.in

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

For **MERCATOR LIMITED**

MERCATOR LIMITED MUMBAI

H K MITTAL
EXECUTIVE CHAIRMAN

Place: Mumbai
Date: February 13, 2020

SINGHI & CO. Chartered Accountants

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

To the Board of Directors
Mercator Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Mercator Limited** ("the Company") for the quarter and nine months ended December 31, 2019 ("the Statement") being submitted by Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This 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 the Indian Accounting Standards 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act 2013 read with relevant rules issued thereunder ("the Act") and as per the presentation requirement of the SEBI circular CIR/CFD/FAC/62/2016 dated July 5, 2016 (hereinafter referred to as "the SEBI Circular") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. **Basis for disclaimer of conclusion**

   We draw attention to –

   a. Note 4 (i) of the statement, regarding the preparation of the statement on going concern basis, for the reason stated therein. Consequently, the assets and liabilities are being carried at their book value. The Company has accumulated losses and has also incurred significant losses during the quarter and nine months ended December 31, 2019. As on date, the Company has substantial investments and loans and advances receivable from subsidiary companies and other disputed receivables,

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which are not readily realizable to service the Company's current liabilities and the Company's net worth has also been fully eroded, in addition to defaults with lenders and credit downgrades and inability to meet its current liabilities which substantially exceeds its current assets. Besides certain cases have been filed by operational creditors and financial creditors in National Company Law Tribunal (NCLT) against the Company, however these cases have not been admitted yet and the hearings are in process. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern. The appropriateness of assumption of going concern, and evaluation of recoverable value of its non-current assets is dependent upon the resolution of the debt of the Company, the Company's ability to raise requisite finance, achieve favourable orders in various ongoing litigations and generate cash flows in future to meet its obligations and to earn profits in future and currently there is not enough evidence to support the view.

b. Note No. 4 (ii), regarding the Company's investments in its wholly owned foreign subsidiary Mercator International Pte Ltd. (MIL) amounting to Rs. 403.34 crore (including investment in equity shares – Rs. 0.29 crore and preference shares – Rs. 403.05 crore), which are considered fully recoverable. Through this entity and step-down subsidiaries, the company holds investment in Indonesia operating coal mine and related infrastructure where an ongoing litigation relating to shareholding of a step-down subsidiary, PT Karya Putra Borneo (KPB) (a material subsidiary), where a minority shareholder has raised a claim relating to the entire shareholding of the entity. Since the matter is sub-judice, the financial and operational impact, if any, of this legal case on MIL and subsequently on the dues to the Company cannot be determined at this stage. As per the information and explanations given to us, we are unable to obtain sufficient appropriate evidence about the recoverability of such investment, which are carried at book value as at December 31, 2019.

c. Note No. 4 (iii) regarding unprovided current tax demands under dispute to the tune of Rs. 63.18 crore pending at various judicial forums of the Income Tax department, the impact of which is presently not ascertainable.

d. Note No. 4 (iv) and 4 (v), regarding the Company's investments in its Indian subsidiary Mercator Petroleum Limited (hereinafter referred to as "MPL") amounting to Rs. 47.92 crore and loan given amounting to Rs. 102.59 crore as on December 31, 2019 which are considered fully recoverable and no impairment is being accounted in the books of accounts. The Board of Directors and Shareholders via postal ballot have approved strategic sale of participating interest in oil block CB-ONN-205/9 (CB-9), which is held by MPL, subject to regulatory approvals. This has been challenged by a financial creditor of the Company in NCLT and has requested for restraining the Company and MPL from taking any steps for sale of participating interest in CB-9 (Oil Block). Interim order has been passed by the NCLT on January 15, 2020 restraining the Company and MPL from concluding the sale of any asset of the MPL and maintain status quo until further instructions / hearings. In addition to this, in October, 2019, MPL has received a notice from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per terms and conditions of PSC. Since the matters are sub-judice, the financial and operational impact, if any, of these legal cases on MPL and subsequently on the due to the Company cannot be determined at this stage. As per the information and explanations given to us and also basis the review report of the auditor of subsidiary, we are unable to obtain sufficient appropriate evidence about

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the recoverability of such investment and loan given which are carried at book value as at December 31, 2019.

e. Note 4 (vi) of the statement regarding termination of Sagar Samrat Conversion Project (SSCP), undertaken by a subsidiary Mercator Oil & Gas Ltd. (hereinafter referred as "MOGL" or "subsidiary"), by ONGC, which is currently under arbitration. The Company has investments and loans amounting to Rs. 0.15 crore and Rs. 84.07 crore respectively as at December 31, 2019 in MOGL, which in the view of the management is fully recoverable. Since the matter is sub-judice, the financial and operational impact, if any, of these legal cases on MOGL and subsequently on the due to the Company cannot be determined at this stage. As per the information and explanations given to us and also basis the review report of the auditor of subsidiary, we are unable to obtain sufficient appropriate evidence about the recoverability of such investment and loan given which are carried at book value as at December 31, 2019.

Disclaimer of Opinion

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

Emphasis of Matter

6. Note 5 of the statement, regarding receivable from an insurance company amounting to Rs. 54.28 crore, relating to total loss claim on a vessel pertaining to the year 2012-13, which has been considered fully recoverable by the management and is supported by a legal opinion.

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

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

SINGHI & CO. Chartered Accountants

Nikhil Singhi
Partner
Membership No. 061567

Place: Mumbai
Dated: February 13, 2020
UDIN: 20061567AAAAAA6397

Mercator Limited

CIN NO : L63090MH1983PLCO31418

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

Unaudited Financial Results For Quarter and Nine Months Ended December 31, 2019

(Rs. in crore)

	Particulars	Consolidated					
		Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	172.82	154.46	266.94	472.99	691.25	867.35
	(b) Other income	0.07	0.80	160.72	1.77	165.20	166.87
	Total Income	172.89	155.26	427.66	474.76	856.45	1,034.22
2	Expenses						
	(a) Cost of services rendered	122.93	115.55	206.80	338.21	457.54	618.88
	(b) Employee benefits expense	9.15	8.60	11.19	27.81	30.20	41.64
	(c) Finance costs	67.74	89.75	32.47	188.54	111.53	153.70
	(d) Depreciation and amortisation	22.13	25.12	40.56	70.59	121.80	176.75
	(e) Impairment Losses	(22.35)	217.73	-	306.54	-	53.45
	(f) Other expenses	34.42	32.00	297.80	79.51	319.67	392.88
	(g) Provision for doubtful debts/advances	-	-	-	-	-	
	Total expenses	**234.02**	**488.75**	**588.82**	**1,011.20**	**1,040.74**	**1,437.30**
3	**Profit/(loss) from operations before exceptional items and tax (1-2)**	**(61.13)**	**(333.49)**	**(161.16)**	**(536.44)**	**(184.29)**	**(403.08)**
4	Exceptional items	-	-	-	(106.99)	(11.73)	(108.89)
5	**Profit/(loss) before tax from Continuing Operations (3 - 4)**	**(61.13)**	**(333.49)**	**(161.16)**	**(643.43)**	**(196.02)**	**(511.97)**
6	**Tax expense**						
	Current tax (including earlier year adjustment)	(2.99)	(2.35)	(10.16)	(10.32)	(25.91)	(33.24)
	Deferred tax (net)	-	-	1.61	-	(0.12)	0.76
7	**Net profit/(loss) after tax from Continuing Operations (5 - 6)**	**(64.12)**	**(335.84)**	**(169.71)**	**(653.75)**	**(222.05)**	**(544.45)**
	Discontinued Operation						
	Net profit/(loss) before tax from discontinued Operations	(0.10)	(0.02)	(280.06)	(2.87)	(306.78)	(334.67)
	Tax (expenses) / benefit of discontinued operations	-	-	-	-	-	-
8	**Net profit/(loss) after tax from Discontinued Operations**	**(0.10)**	**(0.02)**	**(280.06)**	**(2.87)**	**(306.78)**	**(334.67)**
9	**Net profit/(loss) after tax**	**(64.22)**	**(335.86)**	**(449.77)**	**(656.62)**	**(528.83)**	**(879.12)**
10	**Items that will not be reclassified to statement of profit and loss**						
	Remeasurement gains /(loss) of defined benefit plans	(0.08)	(0.03)	(0.10)	(0.14)	(0.06)	(0.05)
	Other comprehensive income						
	Total Other comprehensive income /(loss)	**(0.08)**	**(0.03)**	**(0.10)**	**(0.14)**	**(0.06)**	**(0.05)**
11	**Total comprehensive income /(loss) for the period/year (comprising profits and other comprehensive income for the period/year) (9+10)**	**(64.30)**	**(335.89)**	**(449.87)**	**(656.76)**	**(528.89)**	**(879.17)**
12	**Profit /(Loss) attributable to for the period (net of tax)**						
	Owners of the company	(65.91)	(337.72)	(427.35)	(666.80)	(527.70)	(908.63)
	Non controlling interest	1.69	1.86	(22.42)	10.18	(1.13)	29.52
13	**Other comprehensive income/ (loss) for the year (net of tax)**						
	Owners of the company	(0.08)	(0.03)	(0.10)	(0.14)	(0.06)	(0.05)
	Non controlling interest	-	-	-	-	-	-
14	**Total Comprehensive Income /(Loss) for the period / year attributable to**						
	Owners of the company	(65.99)	(337.75)	(427.45)	(666.94)	(527.76)	(908.69)
	Non controlling interest	1.69	1.86	(22.42)	10.18	(1.13)	29.52
15	**Paid up equity share capital (FV of Re.1 per share)**	30.25	30.25	30.25	30.25	30.25	30.25
16	**Basic and Diluted earnings per equity share from continuing operations**	(2.18)	(11.17)	(4.87)	(21.95)	(7.31)	(18.98)
17	**Basic and Diluted earnings per equity share from discontinued operations**	(0.00)	(0.00)	(9.26)	(0.09)	(10.14)	(11.07)
18	**Basic and Diluted earnings per equity share from continuing and discontinued operations**	(2.18)	(11.17)	(14.13)	(22.04)	(17.45)	(30.05)

MERCATOR LIMITED MUMBAI

SINGHI & CO. Chartered Accountants

MERCATOR LIMITED

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

SEGMENTWISE CONSOLIDATED REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(Rs in crore)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue						
(net sale/income from each segment should be disclosed under this head)						
(a) Shipping	34.34	38.34	82.27	102.78	257.21	311.96
(b) Coal (Mining, Procurement and Logistics)	138.22	116.11	179.61	368.19	403.62	534.89
(c) Others	0.26	-	5.06	2.02	30.42	20.50
Net sales/Income From Operations	172.82	154.46	266.94	472.99	691.25	867.35
2. Segment Results Profit /(Loss) before tax from each segment						
(a) Shipping	12.28	(334.71)	(165.56)	(345.15)	(129.60)	(201.82)
(b) Coal (Mining, Procurement and Logistics)	2.04	(4.32)	(84.09)	23.82	(28.68)	(101.76)
(c) Others	(7.72)	95.29	103.94	(26.57)	85.52	54.20
Less: Interest	67.74	89.75	15.45	188.54	111.53	153.70
Less: Exceptional items	-	-	0.00	106.99	11.73	108.89
Total Profit / (Loss) Before Tax from Continuing Operations	**(61.13)**	**(333.49)**	**(161.16)**	**(643.43)**	**(196.02)**	**(511.97)**
Net profit/(loss) before tax from discontinued Operation	**(0.10)**	**(0.02)**	**(280.06)**	**(2.87)**	**(306.78)**	**(334.67)**
Total Profit / (Loss) Before Tax	**(61.23)**	**(333.51)**	**(441.22)**	**(646.30)**	**(502.80)**	**(846.64)**
3. Segment Assets						
(a) Shipping	366.14	391.16	1,021.24	366.14	1,021.24	774.03
(b) Coal (Mining, Procurement and Logistics)	665.78	660.86	703.98	665.78	703.98	627.24
Total Segment Assets	1,031.92	1,052.02	1,725.22	1,031.92	1,725.22	1,401.27
Unallocable Assets	595.90	591.44	587.77	595.90	587.77	596.80
Discontinued operation	3.92	3.95	242.13	3.92	242.13	194.06
Total Assets	**1,631.74**	**1,647.41**	**2,555.12**	**1,631.74**	**2,555.12**	**2,192.13**
4. Segment Liabilities						
(a) Shipping	1,232.26	1,217.18	1,122.36	1,232.26	1,122.36	1,280.25
(b) Coal (Mining, Procurement and Logistics)	301.15	293.03	371.78	301.15	371.78	345.90
Total Segment Liabilities	1,533.41	1,510.21	1,494.14	1,533.41	1,494.14	1,626.15
Unallocable Liabilities	729.81	711.16	451.18	729.81	451.18	518.66
Discontinued operation	0.37	0.35	253.94	0.37	253.94	13.42
Total Liabilities	**2,263.59**	**2,221.72**	**2,199.26**	**2,263.59**	**2,199.26**	**2,158.23**

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MERCATOR LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIALS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

1. The consolidated financial results of Mercator Limited (herein referred to as "the Company") including subsidiaries (herein referred to as "the Group") for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on February 13, 2020.

2. The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("IND AS") prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.

3. Effective April 1, 2019, the Company has adopted IND-AS 116 "Leases" on all material lease arrangement existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment amounting to Rs. 0.34 crore to retained earnings, on the date of initial application. Accordingly comparatives for the year ended March 31, 2019 have not been adjusted. The effect of IND AS 116 on the loss before tax, loss for the quarter and earnings per share is not material.

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

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

   Going Concern:

   i. The financial results of the Group have been prepared on a going concern basis by the management. The Group has incurred significant losses and its net worth is substantially eroded in addition to defaults with lenders and credit downgrades. The current liabilities substantially exceed the current assets and large sums of money are in dispute which is not readily realisable. Certain cases have been filed by operational creditors and two financial creditors in National Company Law Tribunal (NCLT) against the Company. Since, none of the petitions filed against the Company under the IBC have been admitted and the corporate insolvency resolution process has not been initiated, the management is making its best efforts to restructure its business activities and to achieve favourable order in the ongoing litigations in order to protect the value of its assets. In view of these efforts, the management feels that the going concern basis of preparation of financial results is appropriate.

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

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corporate office are in possession of existing local management and business operations are continuing smoothly.

If the claim of said minority shareholder holds valid, the Company is exposed to risk of loss of net assets to the tune of Rs 295.28 crore (USD 41.43 Mn) as on December 31, 2019.

iii. Current Tax Assets (net) as on December 31, 2019 includes Rs. 75.91 crore (net of provision of Rs. 62.80 crore) which has not been settled due to ongoing tax assessment for the various Assessment Years up to AY 2015-16 against which net tax demand of Rs. 63.18 crore has been received and contested by the Company. Considering the various judicial pronouncements and submissions made so far, the management is hopeful of a favourable outcome of these pending litigations.

iv. In October, 2019, one of the subsidiaries has received a notice from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per terms and conditions of PSC. The subsidiary is confident of defending the amounts claimed by Directorate General of Hydrocarbon (DGH). In case of rejection of Subsidiary's contention, the estimated financial impact would be to the tune of Rs. 74.81 crore.

v. The Board of Directors of the Company has approved strategic sale of participating interest in oil block CB-ONN-205/9 (CB-9) of its material subsidiary Mercator Petroleum Limited. The sale is subject to approval of specific financial lenders and various regulatory approvals. The Company has also obtained approval of shareholders of the Company through Postal Ballot. Necessary due diligence and evaluation is in process as on date of reporting.

Further to this approval, one of the financials lenders of the Company has filed miscellaneous application praying directions from the NCLT for restraining the Company and MPL from taking any steps for sale of participating interest in such CB-9 (Oil Block). Interim order has been passed by the NCLT on January 15, 2020 in the Application of financial lender restraining the Company from concluding the sale of any asset of the MPL and maintain status quo until further instructions / hearings.

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. MOGL has since initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed. The proceedings are underway.

Based on the order of Hon'ble Bombay High Court dated July 29, 2019, ONGC had invoked Bank Guarantee amounting to Rs. 142.19 crore which had been accounted in the books of the accounts of MOGL in the quarter ended June 30, 2019. In view of the management which is also supported by the legal opinion, the claim made by the subsidiary on ONGC holds good and no adverse impact is envisaged on financial statements.

5. The Company has an insurance claim amounting to Rs. 54.28 Crore, pertaining to total loss claim on a vessel pertaining to the year 2012-13, which has been considered fully recoverable by the management and is supported by a legal opinion.

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6. Based on the management's decision to dispose of its fleet of dredgers (subject to consent from respective lenders) and carry on dredging business on asset light model, the Company had evaluated the impairment on these dredgers & certain ships and had accordingly provided in earlier quarters an impairment loss of Rs. 328.89 crore and out of which Rs. 10.40 crore has been reversed on account of higher sale realisation during the quarter ended December 31, 2019.

   As on December 31, 2019 –
   a. the vessel "MT Prem Mala" is under arrest by financial creditor along with an operational creditor;

   b. for the vessel "MT Hansa Prem", the financial creditor has exercised its rights under deed of mortgage to enforce the statutory first priority sole registered mortgage over said vessel by initiating a private sale to recover financial dues.

   Both the vessels have been valued at Net Realisable Value (NRV) during previous quarters and has been classified as "Non – Current Asset Held for Sale" during the quarter. The Company has already accounted for the impairment loss in earlier quarters.

7. On August 31, 2019, TSHD Tridevi Prem (written down value of Rs 6.71 crore) has developed leak and capsized at New Mangalore anchorage. The management has provided full value of the assets and its associated outstanding dry dock amortisation in the books in earlier quarters.

8. Finance cost amounting to Rs 188.54 crore as on December 31, 2019 includes Rs 59.58 crore towards penal interest levied by lender(s) on loans recalled / event of default, which includes Rs. 12.45 crore debited during the quarter.

9. The Board of Directors of the Company has approved sale of vessels namely FSO Prem Pride and MT Prem Mala and postal ballot approval by the shareholders of the Company for making such sale has been obtained on November 11, 2019.

   During the quarter, the Company has entered into MOA dated December 20, 2019 for sale of its vessel "FSO Prem Pride" at total consideration of Rs. 49.54 crore, which has resulted into reversal of net impairment loss of Rs 8.72 crore on account of difference between sale price and price considered for impairment. The partial sales proceeds received during the quarter from such sale has been utilised for the repayment of Loan. The vessel was delivered to the buyer on January 16, 2020 and hence, the asset has been classified as "Non – Current Asset Held for Sale" as on December 31, 2019 at the net realisable value.

   Further, dredger "Uma Prem" has been arrested by one of the operational creditor wherein Ho'ble High Court of Bombay has ordered for sale through court proceedings and under that, the said dredger has been sold for Rs 2.70 crore. Sale consideration has been deposited with the Court and will be allocated to all concerned parties involved (including one of the financial creditor). This has resulted into reversal of impairment loss of Rs 1.68 crore in this quarter on account of difference between the sale price and price considered for impairment. Since the order of the court is dated January 30, 2020, the asset has been classified as "Non – Current Asset Held for Sale" as on December 31, 2019 at the net realisable value.

10. Proceedings have been filed by a few operational creditors and two financial creditors namely ICICI Bank Limited (ICICI) and State Bank of India (SBI) against Mercator Limited under the

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Insolvency and Bankruptcy Code, 2016 (IBC) for recovery of their respective outstanding dues. None of the petitions filed against the Company under the IBC have been admitted and thus, the corporate insolvency resolution process has not been initiated in respect of the Company yet.

Some of the operational creditors have filed cases against the Indian subsidiary of Company in NCLT wherein there is no final order has been issued and proceedings being underway as per provision of the applicable Law.

11. One of the financial lenders of the Wholly Owned Foreign Subsidiary has recalled loan in the month of May 2019 and further to that they have filed case in Singapore High Court for recovery of their outstanding dues. Proceedings under applicable law is in process and no final order being issued yet as on December 31, 2019.

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

    Further, in respect of Loans outstanding aggregating to Rs. 1,610.02 crore as on December 31, 2019 the Company and certain of its Indian / foreign subsidiaries have committed breach of financial covenants including default in interest and instalment payments due to various Banks / financial institutions which are still continuing. As on December 31, 2019, certain lenders have recalled their Loans aggregating to Rs. 1,384.91 crore.

    In addition to above, certain Non-Banking Finance Companies (NBFC) have invoked 31,220,738 equity shares of the promoters pledged with them aggregating to Rs. 13.13 crore which has been adjusted against the amount lent to the Company. The promoters have sought for compensation from the Company, which is valued at Rs. 2.29 crore as on December 31, 2019, on the basis of the closing traded price for the last two trading days on a mark to market basis as on the reporting date.

13. The results for the quarter ended December 31, 2019 are available on the BSE Ltd website www.bseindia.com, National Stock Exchange of India Limited website www.nseindia.com and the Company's website www.mercator.in

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

For **MERCATOR LIMITED**

H K MITTAL
EXECUTIVE CHAIRMAN

MERCATOR LIMITED * MUMBAI *

Place: Mumbai
Date: February 13, 2020

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

To the Board of Directors
Mercator Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Mercator Ltd.** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and Nine months ended December 31st, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ("the Act") and as per the presentation requirement of the SEBI circular CIR/CFD/FAC/62/2016 dated July 5, 2016 (hereinafter referred to as "the SEBI Circular") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. The Statement includes the results of the subsidiaries listed in Annexure A, attached to this report.

   Basis for Disclaimer of Conclusion:

5. We draw attention to below referred Notes of the Unaudited Consolidated financial results:

   i) Note 4 (i) of the statement, regarding the preparation of the statement on going concern basis, for the reason stated therein. Consequently, the assets and liabilities are being carried at their book value. The Group has accumulated losses and has also incurred significant losses during the quarter and nine months ended December 31, 2019. As on date, the Parent has substantial investments and loans and advances receivable from subsidiary companies and other disputed receivables, which are not readily realizable to service the Parent's current liabilities and the Parent's net worth has also been fully eroded, in addition to defaults with lenders and credit downgrades and inability to meet its

SINGHI & CO. MUMBAI Chartered Accountants current liabilities which substantially exceeds its current assets. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Parent's ability to continue as going concern. Besides certain cases have been filed by operational creditors and financial creditors in National Company Law Tribunal (NCLT) against the Parent's, however these cases have not been admitted yet and the hearings are in process. Further in case of several subsidiaries, the respective auditor's have modified their report with respect to the validity of the Going Concern assumption. The appropriateness of assumption of going concern, and evaluation of recoverable value of its non-current assets is dependent upon the resolution of the debt of the Group, the Group's ability to raise requisite finance, achieve favourable orders in various ongoing litigations and generate cash flows in future to meet its obligations and to earn profits in future and currently there is not enough evidence to support the view.

ii) Note 4 (ii) regarding ongoing litigation relating to shareholding of a step-down subsidiary, PT Karya Putra Borneo (KPB) (a material subsidiary), where a minority shareholder has raised a claim relating to the entire shareholding of the entity. Should the claim by the minority shareholder of the step down subsidiary hold valid, the Group is exposed to loss of ownership with net exposure of Rs. 295.28 crore (USD 41.43 million) as at the reporting date.

iii) Note 4 (iii) regarding unprovided Current tax demand under dispute to the tune of Rs. 63.18 crore pending at various judicial for forums of the Income Tax department, the impact of which is presently not ascertainable.

iv) Note 4 (iv) regarding notice received by a subsidiary from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per terms and conditions of PSC. In case of subsidiary's stand is not accepted by MOPNG, the estimated financial impact would be to the tune of Rs. 74.81 crore.

v) Note 4 (v) regarding application filed by one of the financial lenders of the Parent has filed miscellaneous application praying directions from the NCLT for restraining the Parent and MPL from taking any steps for sale of participating interest in CB-9 (Oil Block). Interim order has been passed by the NCLT on January 15, 2020 in the application of financial lender restraining the Parent and MPL from concluding the sale of any asset of the MPL and maintain status quo until further instructions / hearings. Since the matter is sub-judice, the financial and operational impact, if any, of this legal cases on the Group cannot be determined at this stage. As per the information and explanations given to us and also basis the review report of auditor of subsidiary, we are unable to obtain sufficient appropriate audit evidence about the recoverability of the amount of Rs. 313.22 crore, carried in property plant and equipment and Capital Work – in - progress.

vi) Note 4 (vi) of the Statement regarding termination of Sagar Samrat Conversion Project (SSCP) contract undertaken by a subsidiary Mercator Oil and Gas Ltd. by ONGC and invocation of certain bank guarantees by ONGC. The matter is currently under dispute. However, reported financials will have an adverse impact of Rs. 207.35 crore on net assets in case the arbitration petition is decided against the subsidiary. Based on the review report received from the auditor's of the subsidiary, since the matter is sub-judice, the financial and operational impact, if any, of this legal case on the Group cannot be determined at this stage.

Disclaimer of Conclusion:

6. We do not express a conclusion on the aforesaid Unaudited Consolidated Financial Results of the Group. Because of the cumulative impact and significance of the matters described in the Basis for Disclaimer of Conclusion Section of our report, we have not been able to obtain

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sufficient appropriate audit evidence to provide a basis for an audit conclusion as to whether the accompanying statement of unaudited consolidated financial results is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No.CIR/CFD/CMD/44/2019 dated March 29 ,2019.

Emphasis of Matters:

7. We draw your attention to the following matters:

   i) Note 5 of the Statement regarding receivable from an insurance company amounting to Rs. 54.28 crore, relating to total loss claim on a vessel pertaining to the year 2012-13, which has been considered fully recoverable by the management and is supported by a legal opinion.

   Our opinion is not modified in respect of above matter.

Other Matters:

8. We did not review the interim financial statements of two domestic and two step – down subsidiaries included in the consolidated unaudited financial results, whose interim financial statements reflect total revenues of Rs. 146.08 crore and Rs. 387.21 crore , total net profit/(loss) after tax of Rs. (8.84) crore and Rs. (125.93) crore and total comprehensive income / loss of Rs. (8.84) crore and Rs. (125.93) crore, for the quarter ended December 31, 2019 and for the period from April 1,2019 to December 31, 2019 respectively, as considered in the consolidated unaudited financial results. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our Conclusion on the Statement is not modified in respect of the above matter.

9. The consolidated unaudited financial results includes the interim financial information of 3 domestic subsidiaries and 18 foreign subsidiaries / step – down subsidiaries which have not been reviewed/audited by their auditors, whose interim financial information reflect total revenue of Rs. 78.55 crore and Rs. 199.44 crore, total net profit/(loss) after tax of Rs. (8.55) crore and Rs. (27.35) crore and total comprehensive income / loss of Rs. (8.55) crore and Rs. (27.35) crore for the quarter ended December 31, 2019 and for the period from April 1,2019 to December 31, 2019, respectively, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter

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

SINGHI & CO. Chartered Accountants

Nikhil Singhi
Partner
Membership No. 061567

Place: Mumbai
Date: February 13, 2020
UDIN: 20061567AAAAAB8084

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REVIEW REPORT

A) Subsidiaries (held directly)

1 Mercator Oil & Gas Ltd
2 Mercator Petroleum Ltd
3 Oorja Resources India Private Ltd
4 Mercator Dredging Private Ltd (Formerly Mercator FPSO Pvt Ltd)
5 Mercator International Pte Ltd
6 Mercator OceanTransport Limited

B) Subsidiaries (held indirectly)

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

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