December 01, 2021

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

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

Dear Sir(s),

Sub: Submission of the Annual Report under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With reference to the above captioned subject and pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year ended 2020-21.

The said Annual Report of the Company is also available on the website of the Company at www.mercator.co.in

Kindly take the same on record and acknowledge the same.

Thanking You,

Yours faithfully,

For **Mercator Limited**

RAJENDRA KUMAR KOTHARI

Rajendra Kothari
Chief Financial Officer & Compliance Officer

Encl.: A/a

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



MERCATOR LIMITED

37TH ANNUAL REPORT

2020-21

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FORWARD–LOOKING STATEMENT

This report and other statements – written and oral – that we periodically make contain forward–looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

Corporate Information

RESOLUTION PROFESSIONAL

Mr. Girish Siriram Juneja
(IBBI/IPA-001/IP-P00999/2017-2018/11646)

Board of Directors

Mr. H. K. Mittal
(Whole-time Director)

Mr. Jagmohan Talan
(Independent Director)
(w.e.f. September 23, 2020)

Mr. Sukhdarshan Singh Bedi
(Independent Director)
(w.e.f. September 23, 2020)
(resigned w.e.f. August 12, 2021)

Mrs. Ritu Vats (Independent Director)
(w.e.f. September 23, 2020)

(the powers of the Board of Directors of the Company stand suspended vide Order dated February 8, 2021 passed by Hon'ble NCLT, Mumbai Bench)

Chief Executive Officer

Mr. Shalabh Mittal
(resigned w.e.f. August 12, 2021)

Chief Financial Officer

Mr. Rajendra Kothari

Statutory Auditors

M/s. Singhi & Co.
Chartered Accountants

Secretarial Auditors

M/s. Shalinder Kaur & Associates
Practicing Company Secretaries

Bankers

State Bank of India
ICICI Bank Ltd.
Axis Bank Ltd.
Yes Bank Ltd.
Export – Import Bank of India

Corporate Identification Number (CIN)

L63090MH1983PLC031418

Registered Office

83-87, 8th Floor, Mittal Tower, B-Wing,
Nariman Point, Mumbai- 400 021
Tel: +91-22-66373333/40373333 Fax: +91-22-66373344
Website: www.mercator.co.in
Email: secretarial@mercator.co.in / investors@mercator.co.in

Registrar & Transfer Agent

Link Intime India Pvt. Ltd. C101, 247 Park, L.B.S. Marg,
Vikroli (West), Mumbai- 400 083
Tel: +91-22-49186000 Fax: +91-22-49186060
Email: rnt.helpdesk@linkintime.co.in

Notice

NOTICE is hereby given that the Thirty Seventh (37th) Annual General Meeting ("AGM") of the members of Mercator Limited will be held on Friday, December 24, 2021, at 11:30 A.M. IST through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), to transact the following business. The deemed venue of the meeting shall be the registered office of the Company situated at 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai - 400021.

Background:

The members are hereby intimated that in accordance with an application made by ICICI Bank, Financial Creditor of the Company, the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated February 08, 2021 in Company Petition No. (IB) 4404/MB/2019 ("Insolvency Commencement Order") in the matter of ICICI Bank Ltd. V. Mercator Ltd & Anr., has initiated Corporate Insolvency Resolution Process ("CIRP") against Mercator Limited, Corporate Debtor ("the Company") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr. Girish Siriram Juneja, having Registration No. IBBI/IPA-001/IP-P00999/2017-2018/11646 who had been appointed as Interim Resolution Professional was subsequently confirmed as Resolution Professional ("RP") to manage the affairs of the Company in accordance with the provisions of the Code. Further, in consonance with the stipulation contained in Section 17 of the Code, the powers of the Board of Directors of the Company stand suspended with effect from CIRP commencement date and the same are vested in Mr. Girish Siriram Juneja, Resolution Professional.

In view hereof, this AGM is being called and convened.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company, for the year ended March 31, 2021 together with the Reports of the Board (RP & Directors) and Auditors thereon.

2. To appoint a Director in place of Mr. H. K. Mittal (DIN:00007690) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

   (Re-appointment of Mr. Mittal is a part of compliance with section 152(6) of the Companies Act, 2013. However, the powers of the Board shall continue to remain suspended during the continuance of CIRP. The tenure of directors will be subject to the terms of the Resolution Plan as may be approved by the NCLT in terms of Section 31 of the Code).

SPECIAL BUSINESS:

3. **Revision in terms of appointment of Mr. Harish Kumar Mittal, Whole time Director of the Company**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals as may be necessary in this regard, approval of the members of the Company be and is hereby accorded for the continuation of appointment of Mr. Harish Kumar Mittal, (DIN: 00007690) Whole time Director of the Company, who has attained the age of 70 years in February 2019, till his remaining tenure ending on July 31, 2022, on the same terms of his appointment as approved by the shareholders at the 35th Annual General Meeting of the Company held on December 31, 2019.

RESOLVED FURTHER THAT the Resolution Professional/ Board of Directors, as the case may be, and/or the Chief Financial Officer of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be required in this connection to give effect to this resolution."

For Mercator Limited
(Company under Corporate Insolvency Resolution Process)

H. K. Mittal
Whole Time Director
DIN:00007690

Taken on record by

Girish Siriram Juneja
Resolution Professional for Mercator Limited
Reg No: IBBI/IPA-001/IP-P00999/2017-2018/11646

Regd. Office:
83-87, 8th Floor, Mittal Tower,
B-wing, Nariman Point,
Mumbai - 400 021

Dated: August 12, 2021

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circulars dated January 13, 2021 read together with circulars dated May 5, 2020, April 8, 2020 and April 13, 2020 and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as "Circulars") issued by the Securities and Exchange Board of India ("SEBI") wherein the Companies are permitted to holding the Annual General Meeting ("AGM") through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Circulars, the 37th AGM of the Company is being held through VC/OAVM. Hence, members can participate in the AGM through VC/OAVM only.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the Act, Listing Regulations and Circulars as amended from time to time, through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

   In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF,NRI,etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email at scrutinizer@mgconsulting.in with a copy marked to helpdesk.evoting@cdslindia.com.

4. Statement pursuant to Section 102(1) of the Act relating to item of Special Business to be transacted at the AGM is annexed hereto.

5. The relevant details pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India in respect of director seeking re-appointment at this AGM forms part of the Notice.

6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, December 18, 2021 to Friday, December 24, 2021 (both days inclusive) for the purpose of the AGM.

7. The Register of Directors and Key Managerial Personnel and their Shareholdings, as maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested as maintained under Section 189 of the Act, and all other documents referred to in the Notice will be available for inspection in electronic mode, basis the request being sent on secretarial@mercator.co.in.

8. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

9. Members are requested to note that the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF. In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF rules.

DISPATCH OF ANNUAL REPORT THROUGH EMAIL AND REGISTRATION OF EMAIL IDs

1. In compliance with the aforementioned Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.mercator.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on CDSL's website: www.evotingindia.com.

2. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email

addresses by writing to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in mentioning the Folio No. and Name of Shareholder along with scanned copy of the Share Certificate (front and back) and self-attested copy of PAN card for updation of email address. Members holding shares in dematerialized mode are requested to register / update their email addresses with their Depository Participants.

PROCEDURE FOR ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. Members will be able to attend the AGM through VC/OAVM by using their remote e-voting login credentials and selecting the EVSN for Company's AGM.

2. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system of CDSL.

3. Members are requested to join the Meeting through Laptops for better experience and will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connected via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. **The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis.** This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

5. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

6. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

7. As the AGM is being conducted through VC/OAVM, members are encouraged to express their views / send their queries in advance mentioning their name, DP Id and Client Id/Folio No., e-mail id, mobile number at secretarial@mercator.co.in to enable smooth conduct of proceedings at the AGM. Questions / Queries received by the Company atleast **10 days prior to meeting; i.e. December 14, 2021** on the aforementioned e-mail id shall only be considered and responded to during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

1. The voting period begins on Tuesday, December 21, 2021, 9:00 AM onwards and ends on Thursday, December 23, 2021 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, December 17, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

2. Shareholders who have already voted prior to the meeting date through remote e-voting would not be entitled to vote at the meeting venue.

3. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

4. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

5. Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi/Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders:

A. The shareholders should log on to the e-voting website www.evotingindia.com.

B. Click on "Shareholders" module.

C. Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

D. Next enter the Image Verification as displayed and Click on Login.

E. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

F. If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN Dividend Bank Details OR Date of Birth (DOB)	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

2. After entering these details appropriately, click on "SUBMIT" tab.
3. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
4. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
5. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
6. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
7. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
8. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
9. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
10. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
11. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Facility for Non – Individual Shareholders and Custodians–Remote Voting:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial@mercator.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id.**
2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

If you have any queries or issues regarding attending AGM & E-Voting from the E-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or Mr. Rakesh Dalvi (022-23058542).

GENERAL INFORMATION FOR THE SHAREHOLDERS:

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on https://www.evoting.cdsl.com/ to reset the password.
2. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., Friday, December 17, 2021, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
3. The Resolution Professional, Mr. Girish Siriram Juneja, has appointed CS Mannish L. Ghia, Partner of M/s. Manish Ghia & Associates, Practicing Company Secretaries, Mumbai, to act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

   The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting and make, not later than 2 working days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Resolution Professional, who shall countersign the same.
4. The result declared along with the Scrutinizer's Report shall be placed on the Company's website: www.mercator.co.in and on CDSL's website: www.evotingindia.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 3

Mr. Harish Kumar Mittal was appointed as Whole Time Director of the Company by the members at the 35th Annual General Meeting held on December 31, 2019 for a period of three years with effect from August 1, 2019 to July 31, 2022. Mr. Mittal has attained the age of 70 years on February 19, 2019. Pursuant to Section 196(3) of Companies Act, 2013, for continuation of his employment as a Whole Time Director, on the same terms of appointment as approved by members earlier in December, 2019, a Special Resolution is proposed at Item No. 3 of the Notice.

Mr. H. K. Mittal continued to be the Whole Time Director of the Company since the year 2007. Having received Masters from Indian Institute of Technology (IIT), Roorkee; he started his tryst with enterprise by forming a proprietorship firm; way back 1975, which was later converted into a limited company. This Company was primarily into the manufacturing of Sulphuric Acid and Ferric Alum. Expansion of businesses both vertically and horizontally, soon became his passion that still continues to be a major driving force backed up by more than three decades of entrepreneurial experience. Mr. Mittal acquired Mercator Ltd. in 1988 and with his vision and keen insight transformed the Company from a barging company to diversified group into Shipping, Dredging, Oil and Coal.

The Board (RP & Directors) recommends the resolution for the approval of the shareholders.

Except Mr. H. K. Mittal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

For Mercator Limited
(Company under Corporate Insolvency Resolution Process)

H. K. Mittal
Whole Time Director
DIN:00007690

Taken on record by

Girish Siriram Juneja
Resolution Professional for Mercator Limited
Reg No: IBBI/IPA-001/IP-P00999/2017-2018/11646

Regd. Office:
83-87, 8th Floor, Mittal Tower,
B-wing, Nariman Point,
Mumbai - 400 021

Dated: August 12, 2021

In pursuance of the provisions of Regulation 36(3) of the Listing Regulations and SS-2, details of Director seeking appointment/re-appointment at the ensuing AGM is as follows:

Name of the Director	Mr. Harish Kumar Mittal (DIN: 00007690)
Date of Birth	19/02/1949
Date of First Appointment on the Board	01/08/2007 (Re-appointed w.e.f. August 1, 2019)
Designation	Whole Time Director
Qualification	Masters from Indian Institute of Technology (IIT), Roorkee
Experience/Expertise in specific functional area	Overall business strategies/management
Terms and Conditions of Appointment or Re-appointment	NA
Remuneration sought to be paid	Nil
Remuneration last drawn	Nil
No. of shares held in the Company as on 31st March, 2021	1,00,74,900 (3.33%)
Directorships held in other Companies **Membership/ Chairmanship of Committees in other Companies**	• Mercator Offshore Logistics Private Limited (Formally known as Mercator Dredging Private Limited) • Mercator Oil & Gas Limited • AHM Investments Private Limited • HK Sons Realtors Private Limited • Premputli Realtors Private Limited • Sisouli Realtors Private Limited • Mac Maritime Training and Research Institute
	Nil
Relationship Between Director inter-se	Not applicable
Number of meetings of the Board attended in FY 2020-21	4 (Four)

For Mercator Limited
(Company under Corporate
Insolvency Resolution Process)

H. K. Mittal
Whole Time Director
DIN:00007690

Taken on record by

Girish Siriram Juneja
Resolution Professional for Mercator Limited
Reg No: IBBI/IPA-001/IP-P00999/2017-2018/11646

Regd. Office:
83-87, 8th Floor, Mittal Tower,
B-wing, Nariman Point,
Mumbai - 400 021

Dated: August 12, 2021

Board's Report

To
The Members,
Mercator Limited

We hereby present the 37th (Thirty-Seventh) Annual Report of your Company for the year ended on March 31, 2021.

In accordance with an application made by ICICI Bank, Financial Creditor of the Company, the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated February 08, 2021("Order") in Company Petition No. (IB) 4404/MB/2019 ("Insolvency Commencement Order") in the matter of ICICI Bank Ltd V. Mercator Ltd & Anr., has initiated Corporate Insolvency Resolution Process ("CIRP") against Mercator Limited, Corporate Debtor ("the Company") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Pursuant to the Order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who has been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC).

FINANCIAL HIGHLIGHTS:

The consolidated and standalone financial performance of the Company for the year ended March 31, 2021 is summarized below:

(₹ in Crore)

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Income from operations	373.78	638.61	6.85	132.16
Other Income	38.81	15.38	33.65	19.01
Total Income	**412.59**	**653.99**	**40.50**	**151.17**
Operating Profit	52.78	(301.07)	18.12	(237.63)
Interest	(290.79)	(260.75)	(210.12)	(220.13)
Depreciation	(39.45)	(141.42)	(0.12)	(41.05)
Impairment	(26.63)	(41.04)	(11.64)	(41.04)
Exceptional Items	-	(154.19)	-	(485.47)
Profit/(Loss) before Tax	**(304.09)**	**(898.48)**	**(203.76)**	**(1025.32)**
Taxes				
-Current Year	(6.23)	(11.18)	-	(0.45)
-Excess/(Short) provision of earlier years	(9.35)	-	(9.35)	-
-Deferred Tax	-	0.13	-	-
Net Profit/(Loss) After Tax	**(319.67)**	**(909.53)**	**(213.12)**	**(1025.77)**
Minority Interest	12.50	13.63	-	-
Other Comprehensive Income Adjustment	**-**	**(0.81)**	**-**	**0.63**

The Standalone & Consolidated financial statements of the Company for the financial year ended March 31, 2021 have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder (IND AS) and other accounting principles generally accepted in India.

The comments of the Board of Directors on the financial performance of the Company along with state of Company affairs have been provided under the Management Discussion and Analysis Report which is appended as **Annexure I** to this Report.

STATE OF COMPANY'S AFFAIRS & REVIEW OF BUSINESS OPERATIONS AND EFFECT OF COVID-19:

During the year under review, the income from operations on a consolidated basis was Rs.373.78 crores against Rs.638.61 crores in the previous year. The consequential loss in revenue were on account of (i)Audited/Unaudited Financial Statements of all Indonesian subsidiaries for the quarter and year ended March 31, 2021 not having been provided to the Parent Company and hence their financial statements for the 9 months period ended December 31, 2020 have only been considered for the purpose of preparation of Consolidated Financial Statements for the year ended March 31, 2021 (ii) sale of entire fleet of the ships during financial year 2019-20 & 2020-21 and auction of 2 out of 4 dredgers during the financial year 2020-21 (iii) remaining 2 dredgers remaining idle and in arrested condition and (iii) sharp decline in shipping and dredging income during the year affected the revenue.

The consolidated EBIDTA is Rs.52.78 crores against Rs.301.08 crores in the previous year. The consolidated loss before tax was Rs.304.09 crores against previous year loss

before tax of Rs.898.48 crores. The loss after tax was Rs.319.67 crores as against loss after tax of Rs.909.53 crores in the previous year.

On a standalone basis, the income from operations for the year under review was Rs.6.85 crores (Rs. 132.16 crores in the previous year). Depreciation was Rs.0.12 crores against Rs.41.05 crores in previous year and Interest was Rs.210.12 crores against Rs.220.13 crores in previous year; the Company had standalone loss after tax of Rs.213.11 crores (previous year loss after tax of Rs.1025.77 crores) after provision of tax of Rs.9.35 crores (previous year Rs.0.45 crores).

Following are the key financial highlights for the financial year 2020-21 (PY 2019-20):

- At standalone level, Finance Costs of Rs.210.12 crores (PY Rs.220.13 crores) includes Rs.101.02 crores (PY Rs.92.79 crores) for FY21 towards penal interest charged by the lenders;
- At standalone level, impairment provision was Rs.11.64 crores (PY Rs.41.04 crores);
- Loss on sale of assets in amounted to Rs.2.26 crores (PY Rs.233.43 crores including Loss on assets held for sale amounted to Rs.22.36 crores);
- At the consolidated level, Provision for Doubtful Debts amounted to Rs. Nil (PY Rs.20.95 Crores)
- At the consolidated level, Expected Credit Loss (ECL) amounted to Rs. Nil (PY Rs.17.06 Crores).
- At the consolidated level, loss on fair value of investments amounted to Nil (PY Rs.105.47 crores). The Group has last carried out valuation of underlying investment in coal mining and logistic company situated in Indonesia for determining of fair valuation of these financial assets as per local regulations as on December 31, 2020. The Group had recognized reduction in fair value of such financial instrument amounting to Rs. 24.56 Crore (USD 3.34 Mn) in the quarter ended March 31, 2021. Such reduction was on account of sharp fall in coal prices, reduction in absolute realization of coal handling fees for one of major customer, cost of production and change in assumption of terminal value based on extension of mining license. The fair value as on March 31, 2021 can be substantially different in view of the valuation factors.
- At the standalone level, Exceptional Items amounted to Rs. Nil (Rs.485.47 Crores representing impairment of intercompany investment in equity shares, NCRPS, other equity instruments and intercompany loans and advances). At the consolidated level, Exceptional Items amounted to Rs. Nil (Rs.154.19 crores representing write down of CWIP in Mercator Petroleum Ltd. (MPL), a material subsidiary, for the terminated oil block CB-3 amounted to Rs.34.44 Crores and Rs.12.75 Crores in the oil block CB-9 on account of the proposed sale of the said oil block aggregating to Rs.47.19 crores and Rs.106.99 crores towards invocation of bank guarantees (net) by ONGC in Mercator Oil and Gas Ltd. (MOGL), a material subsidiary).
- Other Income included sundry balances written back amounting to Rs.2.71 crores (Rs.4.75 crores).

The Company has prepared its accounts for the year ended March 31, 2021 on a going concern basis rather than on liquidation value basis. The Company has incurred a net loss increasing its negative retained earnings as at March 31, 2021, wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net-worth. Further, the Company had since disposed-off the substantial part of the Property, Plant and Equipment (PPE). As on March 31, 2021 the Company has only two non-operating dredgers which have been arrested by operational creditors. The current liabilities substantially exceed the current assets and large sums of money receivable are in dispute, which is not readily realisable. A Corporate Insolvency Resolution Process (CIRP) has been initiated by Hon'ble NCLT, Mumbai. It may be further noted that in consonance with the stipulations contained in Section 14 of the Insolvency and Bankruptcy Code, 2016 (Code), a moratorium has been declared in the aforesaid order passed by the Hon'ble NCLT, inter alia, prohibiting the following:

a. the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or other in any court of law, tribunal, arbitration panel or other authority;

b. transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

c. any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

d. the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

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

The management / RP is of the view that they are making best efforts to achieve favourable order in ongoing

litigations in order to protect the value of its assets and is making efforts to revive operations. As per rules and regulations of the CIRP stipulated under the Code, RP has invited Resolution Plans from the eligible Prospective Resolution Applicants (PRA). Further, the Company believes that the claims receivable for Rs. 1,580 crores at the group level could, if realised, provide a reasonable sufficient opportunity for the repayment of loans from lenders and provide required resources for the development of business opportunities for the revival.

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

Updates on Debts Position:

Total Debts at standalone levels and consolidated levels as on March 31, 2021 stands at Rs.942.92 crores and Rs.1608.87 crores respectively. We have further deleveraged Long-term debts by selling the Floating Storage and Offloading Unit (FSO) 'Prem Pride' in the previous financial year 2019-20 on January 16, 2020 for Rs.49.54 crores and Vessel M. T. Hansa Prem on March 23, 2020 through an e-auction process for a consideration of USD 3.60 Mn plus taxes and in the financial year 2020-21, sold the Vessel M. T. Prem Mala vide Hon'ble Bombay High Court's order dated May 26, 2020, confirmed the sale of the Vessel under the auction process to the highest bidder at a consideration of Rs.36.40 Crores.

As per the Code, the RP has to receive, collate and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the COC. The RP is still in the process of collating and verifying such claims, as and when they are received, and shall subsequently admit such verified claims against the Company as per the Code. Pending admission of the claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the audited financial statements. At the standalone level, Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on Insolvency Commencement Date i.e. February 8, 2021 ("ICD date") (Rs.920.49 crore). Total amount of claims towards principal dues of the financial creditors as on March 31, 2021 stand as under:

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

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

Operations & Finance:

Shipping:

The Company does not have any tonnage now. The Company may explore chartering in tonnage in the future.

Dredging:

Slowdown of dredging business has been in place on account of business downturn contributed largely by majority stake buyout of DCI by government owned major ports. The core management team will continue to focus on developing low capex businesses in the Dredging Business. An example of asset light model for dredging contracts could be wherein the work can be accomplished by chartering dredgers. One of such contracts is under execution with Mumbai Port Trust. The Company shall continue to explore suitable opportunities in the asset light model, where the experience and expertise of the Company can be leveraged. The Company did not participate in any fresh tenders during financial year 2020-21.

The status of various dredgers of the Company is as under:

Veera Prem: In respect of Veera Prem, the crew abandoned the vessel in the previous financial year on 29th April 2019. The company issued Notice of Abandonment in favour of the insurer on 21st May 2019. Necessary insurance proceedings are being initiated for filling an insurance claim for the total constructive loss of dredger Veera Prem and the same shall be recognized in books as per applicable accounting policy during subsequent quarters when reasonable certainty is established based on the accounting policy of the Company.

Tridevi Prem: The dredger developed a leak in the forward pump room leading to flooding and it capsized in early September 2019 in the previous financial year whilst at New Mangalore Port Trust anchorage.

Uma Prem: The Company has belatedly received the order of Hon'ble High Court of Bombay passed on September 15, 2020 with respect to the appropriation of court deposit of Rs.2.70 crores towards payments to be made to the claimants. The Company has passed necessary accounting entries in this regard and the court deposit of Rs.2.70 crores stands fully appropriated as on March 31, 2021.

Darshani Prem: Darshini Prem is under arrest by a few operational creditors, crew and port authorities. The cases filed against Darshini Prem in High court of Andhra Pradesh was listed on July 1, 2021 in which the Court has ordered the sale of the dredger and fixed the Reserve Price at Rs.12 crores and publication of the auction is to be made by August 5, 2021. The bids shall be submitted by the interested parties till August 20, 2021 and opening of the bids is on September 2, 2021. The successful bidder shall pay for the complete bid amount on or before September 16, 2021

Yukti Prem: The dredger has been under arrest by an Operational Creditor. The matter was last listed on July 8, 2021 before the High Court of Kerala at Ernakulam. The counsel of RP appeared before the Court and submitted that it has no objection to the sale. Accordingly, the Court ordered the sale of the dredger to be made on August 27, 2021.

Vivek Prem: The dredger has been arrested by an Operational Creditor. This Dredger has been sold under court auction (order dated 18.02.2021 of Gujarat High Court) for a price of Rs.3.60 crores. The appropriation of the proceeds shall follow in due course of time. The sale proceeds of Rs.3.60 crores as deposited by the buyer in court has been classified as 'Sale of Vivek Prem – Court Deposit' under 'Other Current Assets' as on March 31, 2021. The High Court of Gujarat at Ahmedabad vide its orders dated July 8, 2021 has allowed part appropriation of the court deposit to the extent of Rs.6.01 Lakhs towards payment of costs related to the initial expenses incurred by Plantiff i.e. ICICI Bank Ltd. for the sale process to be refunded to ICICI Bank Ltd. The balance appropriation of the proceeds of Rs.3.54 crores shall follow in due course of time.

Bhagvati Prem: The dredger was beached at New Mangalore Port Trust (NMPT). Notice for auctioning Bhagwati Prem dated 30.01.2020 was issued by NMPT authorities. Vide letters dated March 6, 2021 and March 22, 2021, NMPT informed the Company that it has served public notice to sell by way of an e-auction the vessel 'Bhagwati Prem' by exercising the powers vested with NMPT under Section 42 of the Indian Ports Act, 1908 to recover the Port Dues, Fees and other charges. NMPT informed that it has auctioned the dredger 'Bhagwati Prem' through MSTC Limited, Bangalore on September 30, 2020 vide MSTC Order No. MSTC/BLR/20-21/890 in terms of Section 14 and Section 42 of the Indian Ports Act, 1908 as per the directions given by Ministry of Shipping and that it has received an amount of Rs.4.81 crores from the sale of the said dredger and the available amount with Port after all the recoveries towards the expenses suffered in to risk imposed by the sunk dredger 'Tridevi Prem' and dredger 'Bhagwati Pem' is Rs.1.67 crores. The Company has provided for the sum of Rs.3.14 crores towards Port Charges during the financial year 2020-21 and the amount receivable from NMPT has been accounted at Rs.4.81 crores.

Coal

Oorja Holdings Pte Ltd. ('Oorja Holdings"), a wholly owned subsidiary of the Company along with other investors owns an operational open cut thermal coal asset in the entity named PT Karya Putra Borneo (KPB) and logistics infrastructure services in coal business in another entity named PT Indo Perkasa (IPK). KPB is located in Butuah village, province of Kalimantan Timur, Indonesia covering c.914 hectares of license area with all requisite licenses consisting of an operational coal mine since 2012 having c.26.30 MMT of present reserves with 3600/4200 GAR thermal coal. The local logistics infrastructure services business includes haul road logistics and load port handling supported by own logistics and infrastructure facilities.

Audited/Unaudited Financial Statements of all Indonesian subsidiaries for the quarter and year ended March 31, 2021 have not been provided to the Parent Company and hence their financial statements for the 9 months period ended December 31, 2020 have only been considered for the purpose of preparation of Consolidated Financial Statements for the quarter and year ended March 31, 2021.

Total production of coal for the 9 months period ended December 31, 2020 in the year 2020-21 stands at 1,688,625 MT against 2,133,355 MT of PY. The company has made dispatches of 5,766,425 MT in the 9 months period ended December 31, 2020 in the year 2020-21 against 6,951,765 MT in PY through its coal handling infrastructure including 3rd party dispatches. The operations of coal business are running at the usual operational levels. The business is trying its best to reduce costs.

During period of COVID19, coal prices have fluctuated and has affected EBITDA margin of KPB. The Company has been delivering regular production. Profitability will have an impact due to fluctuations in prices due to pandemic situation.

A minority shareholder of one of our step-down subsidiary, PT Karya Putra Borneo, based at Indonesia has raised a frivolous claim with respect to the shareholding of the said subsidiary Company. On account of frivolous claim filed by minority shareholder of KPB by allegedly accessing Legal Entity Accessibility System (LEAS) and resultant to that existing directors and shareholders have been changed in records of Ministry of Law and Human Rights (MoLHR) which was not in compliance with applicable mining law prescribed by Ministry of Energy and Mineral Resources (MEMR) seeking prior consent of the MEMR for any change in directors and/or shareholders of mining company. As per information available until date of reporting, matter is sub-judice and under review cum discussion at court. Management of the Company is anticipating positive outcome as per their judgment and other compliance under applicable Mining Law in Indonesia.The Company is taking all legal steps to protect its rights and interests. Meanwhile the control of the operations are continuing normally.

Loss on fair value of investments amounted to Rs.24.56 crores (PY Rs.105.47 crores). Panther Resources Pte Ltd (Panther) is a step down subsidiary of Mercator International Pte Ltd. (MIPL), the Singapore based holding company. Panther has invested in coal companies in Indonesia. The valuation of underlying investment has been conducted by an independent valuation firm from Indonesia

Some of the key risks for the coal business are:

1) Coal prices have always been volatile. As on date, amongst several reasons including Covid Pandemic have causes the coal prices to crash threatening sustainable cash flows.
2) Coal subsidiaries have a running default on their loan obligations and lenders are now seeking legal recourse.

3) Legal cases continue to distract management and incur high expenses.
4) Internationally most countries are encouraging move to cleaner energy sources and this remains a threat for the long term price sustainability of the coal prices.
5) India opening mining sector to private sector does pose a threat to coal prices as India may reduce import of coal over a period of time.
6) Change of regulations in Indonesia with respect to taxes, annual production and exports poses an unseen risk.

Oil and Gas

Mercator Petroleum Limited ('MPL'), has Production Sharing Contracts with the Government of India for exploration of petroleum in two blocks viz. CB-ONN-2005/9 ('CB-9') and CB-ONN-2005/3 ('CB-3'), under the Seventh New Exploration Licensing Policy round (NELP-VII). MPL has 100% participating interest ('PI') in both the above blocks. These 'S-Type' blocks are situated onshore in the prolific Cambay Basin in Gujarat, India and together cover an area of 180.22 kms.

Ministry of Petroleum and Natural Gas, Government of India vide their letter dated October 24, 2019 has issued a termination notice referring to Production Sharing Contract (PSC) dated December 22, 2008 for the Block CB-ONN-2005/3 executed between Government of India and Mercator Petroleum Limited. There was no oil discovery in the said Block CB-ONN-2005/3 ('CB-3'). However, PSC for the Block CB-ONN-2005/9 ('CB-9') remains in force.

Minutes of Meeting (MoM) of the 5th Expert Appraisal Committee (EAC) for the Environmental Clearance (EC) presentation held on March 27, 2019 were issued of 3rd April 2019 recommending grant of EC for Development of PML area of the Block CB-ONN-2005/9. Work over rig was deployed at Jyoti-2 from March 25, 2019 to May 7, 2019 for cement repairs but the operations had to be terminated because of technical problems. The well Jyoti-1 was also closed because of non-grant of (EC) which has since been granted on January 7, 2020. Management Committee has approved completion of Minimum Work Program (MWP) of Exploration Phase-I which is a pre-requisite for transfer of PI. Formal communication to this effect is awaited.

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 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 stand 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.

Monetization of the Block CB-ONN-2005/9:

During the previous financial year, MPL made efforts to Farm-out (in full or in part) its Participating Interest (PI) in the Block CB-ONN-2005/9. To this effect, MPL signed a Sale Purchase Agreement (SPA) with an identified buyer on 26th December 2019. Further, Deed of Assignment for transfer of 100% PI was signed on 14th January 2020. Application for transfer of PI along with requisite documents has been submitted to Director General of Hydrocarbon (DGH) for approval and the same was being reviewed by them. We had signed an addendum to extend the completion date to 31st August 2020 and further extending the long stop date to October 31, 2020. In terms of the update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had invited Resolution Plans from the eligible bidders. IRP had received a positive response and after the initial phase, there are a few Prospective Resolution Applicants in the fray. As part of the process, these Resolution Applicants have been carrying out the necessary due diligence. The Resolution Applicants include certain Private Entities in the sector, a Public Sector Undertaking and others. At the request of the Resolution Applicants and in view of the other legal processes involved, the timeline for submission of Resolution plans has been extended and is expected to take place by June 2021. The sale proceeds will enable the company to pay its financial creditors and trade creditors.

Sagar Samrat Conversion Project – Update on Dispute with ONGC and GPC

Mercator Oil & Gas Limited (MOGL), a material subsidiary of the Company and Mercator Offshore (P) Pte. Limited (collectively 'Mercator Oil & Gas') were engaged in the execution of an EPC contract involving conversion of Sagar Samrat, a mobile offshore drilling unit into a mobile offshore production unit for ONGC. The said contract was awarded to a consortium comprising of Mercator Oil & Gas and Gulf Piping Co. WLL (GPC), a shipyard based out of Abu Dhabi.

On September 25, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project giving the consortium 14 days' cure period as per the contract. At the same time, ONGC proceeded to encash the bank guarantees. MOGL had then challenged the invocation of Bank Guarantees and was granted a stay by Hon'ble Single Member Bench (SMB) of the Bombay High Court. Appeal in the Arbitration Petition before division bench of Hon'ble Bombay High Court in a 100% subsidiary of the Company was dismissed vide order in July-2019; By virtue of the above order, ONGC invoked bank guarantees worth INR 142 crores in the previous financial year. This has increased the debt of MOGL by an equivalent amount. Parallely, on 15 December 2018, MOGL initiated arbitration proceedings against ONGC, raising claims of US $ 262 Mn [out of which US$ 173.36 Mn (Rs.1300 crores} has a very strong case in favor of the Company as per a legal opinion) which also includes claims for wrongful invocation of the Bank Guarantees against ONGC on account of the following:

- Certified work but not invoiced
- Works completed and invoiced but unpaid
- Unpaid and/or unapproved variations
- Wrongful deduction of liquidated damages
- New Taxes
- Wrongful invocation of the Bank Guarantees
- Damages at large
- Wrongful termination

MOGL in its pleadings had alleged fraud and collusion by and between ONGC & GPC for illegally terminating the contract and subsequently awarding it to GPC which was ultra vires (a) the Contract signed between ONGC & the Consortium, (b) Contract signed between the Consortium parties inter se and (c) Guidelines laid down by the Central Vigilance Commission (CVC) for PSUs mandating policies for awarding contracts. The arbitration is likely to complete in a few months and the tribunal is expected to issue its award thereafter.

Mercator has also initiated arbitration proceedings against consortium partner GPC and have sought to encash their counter Bank Guarantees worth US$ 9.2 mn issued in favour of MOGL. Legal advice states that our case is strong in both the matter and expect a favorable outcome.

A financial creditor has incurred legal costs aggregating Rs.5.69 crores in the year ended March 31 2021 on behalf of MOGL in relation to the ongoing arbitration in the SSCP matter. The same has been expenses out in MOGL towards Legal Costs in the FY 2020-21. MOGL is also in advanced stages of discussions with overseas funds to fund litigation for Sagar Samrat Arbitration matter and encashment of the counter bank guarantees given by GPC for any shortfall of amount sanctioned by the financial creditor and/or further expenses that may be needed for execution of the award.

MATERIAL CHANGES AND COMMITMENTS:

The Company is currently undergoing CIRP vide order dated February 08, 2021. Pursuant to the Order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who has been appointed as Resolution Professional (RP) by the NCLT.

Further, there were no material changes and commitments affecting the financial position of the Company, between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

SHARE CAPITAL:

The paid-up Equity Share Capital as at March 31, 2021 stood at Rs.30.25 crore. During the year under review, the Company has not issued shares or shares with differential voting rights nor has granted any stock options or sweat equity or warrants.

TRANSFER TO RESERVES:

In view of the losses incurred during the year, no amount is proposed to be transferred to the Reserves, including Debenture Redemption Reserve.

DIVIDEND:

In view of the losses suffered during the year under review, no dividend has been recommended for financial year 2020-21.

CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business during the financial year under review.

PUBLIC DEPOSITS:

During the financial year under review, the Company has not accepted any deposits within the meaning of Sections 73 and 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Appointments:

During the year under review, Mr. Jagmohan Talan (DIN: 08890353), Ms. Ritu Vats (DIN: 08890591) and Mr. Sukhdarshan Singh Bedi (DIN: 08889664) were appointed as Additional Directors (Non-Executive & Independent) of the Company with effect from September 23, 2020 for a tenure of 5 years and thereafter their appointment as Independent Director of the Company was regularized at the 36th Annual General Meeting of the Company held on December 29, 2020 which was adjourned to be held on January 5, 2021.

The Board of Directors of the Company, at the time of appointment, had considered that Mr. Jagmohan Talan (DIN: 08890353), Ms. Ritu Vats (DIN: 08890591) and Mr. Sukhdarshan Singh Bedi (DIN: 08889664) possesses requisite expertise, integrity and experience (including proficiency) for appointment as Independent Directors of the Company and that, given their professional background and experience, their appointments would be beneficial to the Company.

Resignations:

During the year under review, Ms. Ameeta Trehan (DIN: 07087510), Non-Executive Independent Woman Director of the Company, has resigned with effect from September 1, 2020, citing personal reasons.

Mr. Chetan Desai (DIN: 03595319), Mr. M. M. Agrawal (DIN: 00681433) and Mr. Anil Khanna (DIN: 00199924), Non-Executive Independent Directors of the Company resigned with effect from September 25, 2020, September 29, 2020 and October 1, 2020 respectively citing personal reasons/ill health.

The Board of Directors had placed on record its appreciation for the support and contribution made by all the outgoing independent directors during their tenure with the

Company. It was also noted that there were no other material reasons for their resignations other than the ones stated above.

Subsequently, to the end of the financial year 2020-21, Ms. Ritu Vats (DIN: 08890591), Mr. Jagmohan Talan (DIN: 08890353) and Mr. Sukhdarshan Singh Bedi (DIN: 08889664), Independent Directors of the Company had tendered their resignations vide emails dated June 19, 2021, June 21, 2021 and June 28, 2021 respectively, citing personal reasons. Given the fact that the resignation of Directors is governed by the Articles of Association of the Company, hence in line with the discussions held with the Committee of Creditors (CoC), the Resolution Professional requested the Directors to reconsider their decision.

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

However, Mr. Sukhdarshan Singh Bedi (DIN: 08889664) was unwilling to continue with his term due to personal commitments, as such, his resignation was taken on record and accepted w.e.f. August 12, 2021. It was also noted that there were no other material reasons for his resignation other than the one mentioned herein.

The Board (RP & Directors) placed on record its appreciation for the support and contribution made by Mr. Sukhdarshan Singh Bedi during his tenure with the Company.

Variation in terms of existing tenure of Mr. Harish Kumar Mittal (DIN: 00007690)

The Board (RP & Directors) in their meeting held on August 12, 2021 noted that Mr. Harish Kumar Mittal (DIN:00007690) had attained the age of 70 years in 2019 and accordingly, continuation of his employment as Whole Time Director of the Company till July 31, 2022, requires the approval of the shareholders by passing a special resolution. Thus, it has been proposed to the shareholders in the ensuing Annual General Meeting to ratify the existing term of Mr. H. K. Mittal by way of special resolution. The required Statement under provisions of Section 196(3) of the Act forms part of the Notice for the said meeting.

Directors retiring by rotation:

Pursuant to Section 152(6) of the Act read with rules made thereunder and the Articles of Association of the Company, Mr. Harish Kumar Mittal (DIN: 00007690), Whole Time Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Board (RP & Directors) recommends the re-appointment of Mr. Harish Kumar Mittal (DIN: 00007690) as Director of the Company.

A brief profile of Mr. H. K. Mittal along with requisite details as stipulated under Regulation 36(3) of Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) are provided in notice forming part of this Annual Report.

Declaration by Independent Directors:

During the year under review, the Company has not received declaration from the Independent Directors under Section 149(7) of the Act, that he / she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations.

Mr. Jagmohan Talan and Mr. Sukhdarshan Singh Bedi, Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs (IICA) in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014 as per the Ministry of Corporate Affairs Notification dated October 22, 2019. However, Ms. Ritu Vats who was appointed as an Independent Director is in the process of applying to the IICA for inclusion of her name in the databank.

Remuneration to Non-Executive Directors:

During the financial year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committees of the Company.

Disqualification of Directors:

The Company has failed to pay the instalment due of the debentures on the due date and has failed to pay the interest due thereon for a continuous period of more than a year. Hence, all the Directors of the Company are disqualified from being appointed as Director in terms of Section 164 (2) of the Act.

Board Evaluation Process:

The Board of Directors of the Company comprises of one Whole-time Director and the remaining three directors are Non-Executive Independent Directors. During the financial year 2020-21, the meeting of Independent Directors of the Company did not take place. Generally, the said meeting is convened in the last quarter of the financial year. However, since in the last quarter, the Company had entered in the process of CIRP and pursuant to the provisions of the Code, the powers of Board of Directors had been suspended. As a result, no meeting of Independent Directors was held and as a result no evaluation was carried out.

Key Managerial Personnel:

As on March 31, 2021, Mr. Shalabh Mittal and Mr. Rajendra Kothari continued to be the Chief Executive Officer and Chief Financial Officer of the Company respectively. During the previous financial year, Ms. Sangeetha Pednekar resigned from the position of Company Secretary and Key Managerial Personnel of the Company w.e.f. the closure of business hours on July 23, 2019. Post her resignation, the Company

has not appointed Company Secretary during the year under review. However, sincere efforts are being put in to recruit a Company Secretary and Compliance Officer, since the Company was admitted into CIRP, the prospective candidates are showing reluctance in joining the Company.

Subsequent to the end of the financial year, Mr. Shalabh Mittal tendered his resignation vide email dated June 21, 2021 as Chief Executive Officer and Key Managerial Personnel of the Company with effect from June 21, 2021 citing personal reasons. Accordingly, his resignation was taken on record and accepted w.e.f. August 12, 2021, in line with the discussions held with the Committee of Creditors (CoC) members at their meeting held on 30 July 2021.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

As on March 31, 2021, your Company had total 27 subsidiaries/step-down subsidiaries. The following are the material subsidiaries of the Company:

a) Mercator Petroleum Limited

b) Mercator Oil and Gas Limited

c) PT Karya Putra Borneo

d) PT Indo Perkasa

e) Offshore Holding Company Pte Ltd

Further, the Policy for determining material subsidiary companies can be accessed on the Company's website at www.mercator.co.in.

As per Section 134 of the Act, your Company has provided the Audited Consolidated Financial Statements for the year ended on March 31, 2021; together with Auditors' Report thereon forming part of this Annual Report, which includes financial information of all the subsidiaries. A statement pursuant to the provisions of the Section 129 (3) of the Act read with relevant rules made thereunder in the prescribed form AOC-1, showing financial highlights of the subsidiary companies is attached to the consolidated financial statements and therefore not repeated here for the sake of brevity.

During the financial year under review, no company ceased to be subsidiary, associate or joint venture. The Company does not have any joint venture companies as on March 31, 2021.

MEETINGS OF THE BOARD:

During the year, 4 (Four) Board Meetings were held to discuss and decide on affairs, operations of the Company and to supervise and control the activities of the Company, details of which are given in the Report on Corporate Governance forming a part of this Report.

The intervening gap between two consecutive Board meetings did not exceed the period prescribed in the Act, Listing regulations, Secretarial Standards issued by the Institute of Company Secretaries of India and pursuant to the relaxations issued by SEBI vide Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 as amended from time to time.

COMMITTEES OF THE BOARD:

The Committees constituted under the Act and Listing Regulations are:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination & Remuneration Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

The details of the Committees along with their composition, terms of reference, number of meetings held and attendance of the members are provided in the Corporate Governance Report, forming part of this Annual Report.

PARTICULARS OF EMPLOYEES:

As on March 31, 2021, the Company has 2 employees including the Chief Financial Officer. The information required under Section 197 of the Act read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for part of financial year 2020-21, is appended as **Annexure II** and **Annexure II-A** respectively forming part of this Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

Pursuant to the provisions of Section 178 of the Act read with the Rules made thereunder, Regulation 19 of the Listing Regulations and on the recommendation of the Nomination & Remuneration Committee, the Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is appended as **Annexure III**.

Currently, as the Company is under CIRP, the approval of CoC is necessary for the appointment and remuneration of Directors and Key Managerial Personnel of the Company.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

At the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his /her role, function, duties and responsibilities. During the year under review, no programmes were conducted.

AUDITORS:

Pursuant to the requirement of Section 139(1) of the Act, at

the Annual General Meeting (AGM) held on September 15, 2017, the Members had accorded their approval for the appointment of M/s. Singhi and Co. (FRN: 302049E), Chartered Accountants, Mumbai as the Statutory Auditors of the Company to examine and audit the accounts of the Company for the Financial Years 2017-18 to 2021-22. As required under Regulation 33(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

No fraud was reported by the Statutory Auditors of the Company during the year under review pursuant to Section 143(12) of the Act.

Qualifications in Statutory Auditors' report:

Statutory Auditors' Observations in Audit Report on Consolidated/ Standalone Financial Statements and Directors' explanation thereto –

STANDALONE FINANCIAL STATEMENTS

Sr. No.	Auditor's Observations	Company Reply
1	Regarding preparation of the statement on a going concern basis: The Company's financing arrangements have expired and substantial amounts have been recalled and are due and payable as on March 31, 2021. Besides the NCLT has admitted the petition of the Financial Creditors vide its Order dated February 8, 2021 and proceedings under the IBC have been initiated on the company. The Company has substantial investments and loans and advances receivable from subsidiary companies and other disputed receivables, which are not readily realizable to service the Company's current liabilities and the Company's net worth has also been fully eroded, along with inability to meet its current liabilities which substantially exceeds its current assets. The Company had substantially disposed-off its Property, Plant and Equipment and currently doesn't have significant operating revenue and operating assets. Further, the management has not shared a revival plan for the company to continue as a going concern and hence in the absence of the same we conclude that the going concern assumption has been vitiated. The Financial Results have however been prepared on a going concern basis by the management.	The financial results of the Company have been prepared on a going concern basis by the management. The company has incurred a net loss increasing its negative retained earnings as at 31st March, 2021, wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net worth. Further, the Company had since disposed off the substantial part of the Property, Plant and Equipment (PPE). As on March 31, 2021 the Company has only two non operating dredgers which have been arrested by operational creditors. The current liabilities substantially exceed the current assets and large sums of money receivable are in dispute, which is not readily realizable. As referred to in point #1, a CIR process has been initiated by Hon'ble NCLT, Mumbai. It may be further noted that in consonance with the stipulations contained in Section 14 of the Code, a moratorium has been declared in the aforesaid order passed by the Hon'ble NCLT, inter alia, prohibiting the following: a. the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or other in any court of law, tribunal, arbitration panel or other authority; b. transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein; c. any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; d. the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor. The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable resolution plan by the prospective investor. Under the CIRP, a resolution plan needs to be presented to and approved by the COC and thereafter will need to be approved by the NCLT to keep the Company as a going concern. In view of the opinion of the Directors and KMPs, resolution and revival of the company is possible in the foreseeable future. Further the RP is required to make every endeavor to protect and preserve the value of the

Sr. No.	Auditor's Observations	Company Reply
		property of the corporate debtor and manage the operations of the corporate debtor as a going concern. The management / RP is of the view that they are making best efforts to achieve favorable order in ongoing litigations in order to protect the value of its assets and is making efforts to revive operations. As per rules and regulations of the Corporate Insolvency Resolution Process (CIRP) stipulated under the Insolvency and Bankruptcy Code, 2016, RP has invited Resolution Plans from the eligible Prospective Resolution Applicants (PRA). Further, the Company believes that the claims receivable for Rs. 1,580 crore at the group level could, if realized, provide a reasonable sufficient opportunity for the repayment of loans from lenders and provide required resources for the development of business opportunities for the revival. In view of the aforesaid details and pending outcome of the CIRP, the financial statements of the Company have been prepared on going concern basis.
2	Regarding the balances restated in the books of accounts pursuant to admission of the claims submitted by the financial creditors, of which Rs. 22.43 crore is still under verification/not filed with Resolution Professional (RP). We are unable to comment on the financial impact of the same on the financial results of the Company.	As per the Code, the RP has to receive, collate and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the COC. The RP is still in the process of collating and verifying such claims, as and when they are received, and shall subsequently admit such verified claims against the Company as per the Code. Pending admission of the claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the audited financial statements. Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on Insolvency Commencement Date ("ICD date") (Rs.920.49 crore). Total amount of claims towards principal dues of the financial creditors as on March 31, 2021 stand as under: a. Principal amount of Loans admitted by RP Rs.920.49 crores and; b. Claims under verification by RP/Not filed Rs.22.43 crores Total Rs.942.92 crore* **In addition, Contingent Claims arising out of Corporate Guarantee issued by the Company, has been admitted by RP for Bank of Baroda (Principal amount of Rs.95.29 crores plus Interest amount of Rs.37.17 crore aggregating to Rs.132.46 crore) and DBS Bank India Ltd. (Principal amount of Rs.21.66 crore and interest of Rs.2.08 crore aggregating to Rs.23.74 crore).*
3	Regarding interest or any other charges not being accrued in the books of accounts from the date of commencement of CIR process, i.e. 8th February, 2021 onwards, on account of moratorium under section 14 of Code.	Interest or any other charges has not been accrued in the books of accounts from the date of commencement of CIR process, i.e. 8th February, 2021 onwards, on account of moratorium under section 14 of Code.

Sr. No.	Auditor's Observations	Company Reply
4	Regarding the Company's investments in its wholly owned foreign subsidiary Mercator International Pte Ltd. (MIL) which was been impaired in full amounting to Rs.415.67 crore (excluding investment in equity shares – Rs. 0.29 crore) during the previous year. The significant investment of MIL is in its coal mines and related infrastructure in Indonesia and the valuation of these assets was conducted on December 31, 2020 by an independent valuer, and the same has been considered as on March 31, 2021. Further, we have been informed by the management that a liquidator has been appointed on MIL effective April 9, 2021 and also audited financial statement of MIL are not available with the Company. In view of the non – availability about the information about the fair value of assets and liabilities of MIL and the impact on the valuation had the same been done as on March 31, 2021, we are unable to comment on the value or recoverability of the said investment in subsidiary.	The Company had impaired investment amounting to USD 56.55 million in Non-Cumulative Redeemable Preference Shares (NCRPS) of its wholly owned subsidiary Mercator International Pte Ltd, Singapore (MIPL) in previous year. The step-down Subsidiary Company had last carried out valuation of coal business taking cut-off date December 31, 2020 for the purpose local reporting requirement and the same has been considered for financial reporting as on March 31, 2021 as well. However, due to on-going events such as commencement of liquidation proceedings in Mercator International Pte. Ltd (MIPL), Singapore with effect from April 9, 2021and non-availability of audited financial statements of step down coal subsidiaries at Indonesia for the quarter and year ended March 31, 2021, any impact on the valuation is not known as on the date. The coal business is housed in companies which are a subsidiary of MIPL and given the fact that a liquidation has been ordered in case of MIPL by the High Court of the Republic of Singapore, the coal business will be monetized by the liquidator of MIPL or the receiver appointed by the financial creditor with whom the shares of the subsidiary owning the coal business have been pledged, as the case may be. The residual value, if any, after settling the debts of the financial and other creditors would be available for redemption of the NCRPS of MIPL held by Mercator Limited. Audited Financial Statements of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the quarter and year ended March 31, 2021 have not been provided to the Parent Company and hence their financial statements available for the 9 months period ended December 31, 2020 have been considered for the purpose of preparation of Consolidated Financial Statements for the quarter and year ended March 31, 2021. Standalone Financial Statements of MIPL (which is under liquidation) have been certified by the management, however the same have not been audited. These unaudited Financial Statements have been considered for the purpose of preparation of Consolidated Financial Statements for the quarter and year ended March 31, 2021.
5	Regarding unprovided current tax demands under dispute to the tune of Rs.63.18 crore pending at various judicial forums of the Income Tax department, which are treated as contingent liabilities. In the absence of the required supporting documents justifying the stand of the Company we are unable to comment on final outcome of such assessments and the potential financial impact of the same.	Non-Current Tax Assets as on March 31, 2021 amount to Rs.54.83 crore includes Rs.69.19 crore which has not been settled due to on-going tax assessment for various Assessment Years from AY 2003-04 to AY 2015-16 against which net tax demand of Rs. 63.18 crore has been received and contested by the Company. The management is taking steps to resolve the cases with the income tax department.
6	Regarding termination of Sagar Samrat Conversion Project (SSCP), undertaken by a subsidiary Mercator Oil & Gas Ltd. (hereinafter referred as "MOGL" or "subsidiary"), by ONGC, which is currently under arbitration. The Company has investments in equity amounting to Rs.0.15 crore, which has been fully impaired as on March 31, 2021 and loans amounting to Rs.92.78 crore (which includes un-serviced interest amounting to Rs.27.29 crore, excluding impairment of Rs.35.70	Mercator Oil & Gas Limited ('MOGL'), a subsidiary of the Company was engaged in EPC project awarded by ONGC for conversion of their Mobile Offshore Drilling Unit (MODU) 'Sagar Samrat' into a Mobile Offshore Production Unit (MOPU). On September 25, 2018, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project after completing almost 96% of the project work. MOGL has since initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed. The proceedings are underway. In addition to above, based on the order of Hon'ble Bombay High Court dated

Sr. No.	Auditor's Observations	Company Reply
	crore), and the balance as per the financial results net of impairment amounts to Rs.57.08 crore as at March 31, 2021 in MOGL, which in the view of the management is recoverable. Further, the unaudited financial statements / financial information available with the management /RP is not certified by the management of MOGL as on March 31, 2021. In view of the pending outcome of the arbitration and non – availability of substantive documentation about the expected recovery or the financial statements of the Company as on March 31, 2021, we are unable to comment on the recoverability of such investment and loan amount.	July 29, 2019, ONGC had invoked Bank Guarantee amounting to Rs.142.19 crore which had been accounted in the books of the accounts of MOGL in the quarter ended June 30, 2019. Based on the progress of the arbitration proceedings and discussion with the legal counsel, the management is hopeful of a positive outcome in the claim of INR 1,925 crore filed against ONGC. Accordingly, the Company has reversed 50% impairment of interest income (Rs.2.13 crore) and amount advanced to MOGL (Rs.0.69 crore) during the preceding three quarters of FY 2020 21 and made 50% impairment for the last quarter ended March 31, 2021, for an amount of Rs. 0.71 crore (Rs.2.84 crore in the year ended March 31, 2021) towards accrued interest on loan given to MOGL and Rs.0.70 crore (Rs. 0.70 crore in the year ended March 31, 2021) towards amount advanced to MOGL. Out of the total outstanding loan given to Mercator Oil & Gas Ltd. of Rs.92.78 crore, unimpaired amount as on March 31, 2021 is Rs.57.08 crore after considering a provision for impairment of Rs. 35.70 crore. Further, one of the operational creditors has filed petition u/s 9 of IBC 2016 wherein the NCLT bench has kept the status as "Reserved for Order". A claim of Rs. 1,925 crore (USD 262 Mn) has been made by the subsidiary company on ONGC. In the view of the management and based on legal advice, an estimated amount of INR 1274 crore (USD 173.36 Mn) could probably be awarded as payable to the Company. However, any impact of the settlement will be known only after completion of the ongoing arbitration proceedings. The financial statements of MOGL have neither been audited nor have been certified by the management and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available for the quarter and year ended March 31, 2021.
7	Regarding the Company's investments in its Indian subsidiary Mercator Petroleum Ltd. (hereinafter referred to as "MPL") amounting to Rs. 47.93 crore, (excluding impairment of Rs. 16.17 crore during the year) and loan (including Debentures) given amounting to Rs. 114.26 crore (including un-serviced interest of Rs. 42.61 crore and excluding impairment of Rs. 6.05 crore) as on March 31, 2021, and the balance as per the financial results including investments and loans amounts to Rs.130 crore, which are considered recoverable. MPL had entered into a Farm in Farm Out (FIFO) Agreement for sale of its participating interest in its oil block CB-ONN-205/9 (CB-9), subject to fulfillment of certain conditions, however the long stop date has expired and the same is no longer valid. Further, the petition filed in NCLT, Mumbai Bench by an operational creditor against MPL was admitted vide Order dated August 31, 2020 and an Interim Resolution Professional (IRP) has been appointed. As per the information and explanations provided to us and also basis the financial information available for the period ended March 31, 2021 (which are neither certified	The Company has receivable towards loan given of Rs.114.26 crore (including debentures issued to it) to Mercator Petroleum Limited (MPL) as on March 31, 2021, against which impairment of Rs.16.02 crore has been created and balance outstanding as on March 31, 2021 is Rs.98.24 crore. During the quarter ended March 31, 2021, the Company has provided additional impairment of Rs.1.17 crore (Rs. 4.59 crore in the year ended March 31, 2021) towards accrued interest on loan to Mercator Petroleum Limited (MPL), Rs.0.47 crore (Rs. 1.89 crore in the year ended March 31, 2021) towards interest accrued on 6% optionally convertible debentures issued by MPL and Rs. Nil (Rs.3.49 crore in the year ended March 31, 2021) towards amount advanced to MPL (other receivables), on evaluating the following criteria – a. In October, 2019, MPL has received notice of termination from the Ministry of Petroleum and Natural Gas (MOPNG) in compliance with Production Sharing Contract (PSC) for its non operative oil Block (CB 3) and also has demanded costs and other dues to be determined as per terms and conditions of PSC. The management of MPL and the Company is confident of defending the amounts claimed by Directorate General of Hydrocarbon (DGH). In event of rejection of subsidiary's contention, estimated financial impact on the Company would be approx. Rs.35.80 crore.

Sr. No.	Auditor's Observations	Company Reply
	by the management nor by the IRP of MPL), we are unable to obtain sufficient appropriate evidence about the recoverability of such investment and loan given.	b. The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against one of the material subsidiary of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order who has taken charge under the directions of the Committee of Creditors. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. In terms of the update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had invited Resolution Plans from the eligible bidders. IRP had received a positive response. As part of the process, the Resolution Applicants have been carrying out the necessary due diligence. c. The Board of Directors has approved strategic sale of participating interest in oil block CBONN 205/9 (CB 9) of MPL. The subsidiary company has executed Farm in Farm Out agreement dated December 26, 2019 with a prospective buyer at a sale price of Rs.252 crore. MPL has executed an amendment to the original Farm in Farm Out agreement dated December 26, 2019 for extension of the long stop date to October 31, 2020. The Company is hopeful of concluding the sale within the further extended timelines, if and whenever agreed with the prospective buyer.
8	Regarding the fact that the Financial Statement of none of the subsidiaries have been audited as at and for the year ended March 31, 2021. We are unable to obtain sufficient appropriate evidence about the recoverability of such investments and loans given.	The Company has not received Audited or management certified Financial Statements from subsidiaries/Step – down subsidiaries as under: **Indian Subsidiaries –** The financial statements of MPL have neither been audited nor have been certified by the management or IRP and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available for the quarter and year ended March 31, 2021. The financial statements of MOGL have neither been audited nor have been certified by the management and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available for the quarter and year ended March 31, 2021. The financial statements of Oorja Resources India Pvt. Ltd, Mercator Offshore Logistics Pvt. Ltd. and Offshore Transport Pvt. Ltd. have neither been audited nor have been certified by the respective management and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available for the quarter and year ended March 31, 2021.

Sr. No.	Auditor's Observations	Company Reply
		Overseas Subsidiaries – Financials Statements of all Singapore subsidiaries and step down subsidiaries except Mercator International Pte Ltd. (MIPL) and MCS Holdings Pte Ltd. (MCS) have neither been audited nor have been certified by the management and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available for the quarter and year ended March 31, 2021. Standalone Financial Statements of MIPL (which is under liquidation) and MCS (under Liquidation) have been certified by the management, however the same have not been audited. These unaudited Financial Statements have been considered for the purpose of preparation of Consolidated Financial Statements for the quarter and year ended March 31, 2021. Audited or management certified Financial Statements of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the quarter and year ended March 31, 2021 have not been provided to the Parent Company and hence their financial statements available for the 9 months period ended December 31, 2020 have been considered for the purpose of preparation of Consolidated Financial Statements for the quarter and year ended March 31, 2021.
9	Regarding balance confirmations not been received in respect of certain secured / unsecured loans, trade receivables, trade and other payables, and loans and advances as a result of which reconciliation process and consequential adjustments, if any, has not been carried out. The Company has adjusted / provided significant amounts basis its internal estimates, against which necessary supporting documentation has not been made available to us.	The Company has been able to obtain only a few confirmations from various debtors, loans and advances from banks and others, current accounts from banks, trade and other payables on account of ongoing lockdown situation resulting from the Covid 19 pandemic. Accordingly, adjustments if any arising out of reconciliation with these parties is not readily available. The Company has carried out its internal assessment and accordingly provided/ written off/ back certain receivables/ payables/ loans and advances.
10	The Company has failed to pay the installment due of the debentures on the due date and failed to pay the interest due thereon for a continuous period of more than a year. Hence, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.	All of the directors on the Board of Directors of the Company are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.

CONSOLIDATED FINANCIAL STATEMENTS:

Sr. No.	Auditor's Observations	Company Reply
1	Regarding preparation of the statement on a going concern basis. The financing arrangements for the group have expired and the substantial amounts have been recalled and are due and payable as on March 31, 2021. Besides the NCLT has admitted the petition of the Financial Creditors vide its Order dated February 8, 2021 and proceedings under the IBC have been initiated on the Holding company. Further, certain cases have been filed by operational creditors and financial creditors in National Company Law Tribunal (NCLT) against one of the material subsidiaries of which NCLT has admitted the application vide order dated August 31, 2020 and IRP has been appointed. Also, we have been informed by the management that a liquidator has been appointed for one material direct subsidiary effective April 9, 2021. The Group has been unable to conclude re-negotiations or obtain replacement financing for repayment of its overdue financing arrangements. The Group has accumulated losses and has incurred significant losses during the current period and previous financial year. The Group also has substantial disputed receivables, which are not readily realizable to service the Company's current liabilities and the Group's net worth has also been fully eroded along with inability to meet its current liabilities which substantially exceeds its current assets. The management has not shared a revival plan for the Group to continue as a going concern and hence in the absence of the same we conclude that the going concern assumption has been vitiated. The Consolidated Financial Results have however been prepared on a going concern basis by the management.	The financial results of the Group have been prepared on a going concern basis by the management. The Group has incurred a net loss increasing its negative retained earnings as at 31st March, 2021, wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net-worth. The current liabilities substantially exceed the current assets and large sums of money are in dispute, which is not readily realizable. Further, the Company has disposed-off the substantial part of the Property, Plant and Equipment (PPE). As on March 31, 2021 the Company has only two non-operating dredgers at standalone level which have been arrested by operational creditors. It may be further noted that in consonance with the stipulations contained in Section 14 of the Code, a moratorium has been declared in the aforesaid order passed by the Hon'ble NCLT, inter alia, prohibiting the following: (i) the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or other in any court of law, tribunal, arbitration panel or other authority; (ii) transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein; (iii)any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; (iv) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor. The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable resolution plan by the prospective investor. Under the CIRP, a resolution plan needs to be presented to and approved by the COC and thereafter will need to be approved by the NCLT to keep the Company as a going concern. In view of the opinion of the Directors and KMPs, resolution and revival of the company is possible in the foreseeable future. Further the RP is required to make every 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/RP of the Holding Company is of the view that they are making best efforts to achieve favorable order in ongoing litigations in order to protect the value of its assets and is making efforts to revive operations. As per rules and regulations of the Corporate Insolvency Resolution Process (CIRP) stipulated under the Insolvency and Bankruptcy Code, 2016, RP has invited Resolution Plans from the eligible Prospective Resolution Applicants (PRA). Further, the Company believes that the claims receivable for Rs. 1,580 crore at the group level could, if realized, provide a reasonable sufficient opportunity for the repayment of loans

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		from lenders and provide required resources for the development of business opportunities for the revival. In view of the aforesaid details and pending outcome of the CIRP, the financial statements of the Company have been prepared on going concern basis. Under IAS 10 an entity shall not prepare its financial statements 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 management has not prepared the financial statements on a going concern. However, in view of non-availability of liquidation values of assets and liabilities of such subsidiaries, the same are not stated at fair values.
2	Regarding the balances restated in the books of accounts of the Holding Company pursuant to admission of the claims submitted by the financial creditors, of which Rs.22.43 crore is still under verification/not filed with Resolution Professional (RP). We are unable to comment on the financial impact of the same on the financial results of the Company.	As per the Code, the RP shall receive, collate and admit all the claims submitted by the creditors of the Company. The RP has admitted certain claims of the creditors and is in the process of collating and verifying remaining claims, and shall account for the verified claims against the Company as per the provisions of IBC 2016. The impact of the admitted claims has been considered in the preparation of the standalone financial results as on March 31, 2021. Pending admission of the remaining claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the aforesaid standalone financial results as on March 31, 2021. At the standalone level, Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on ICD dates (Rs.920.49 crores). Total amount of claims towards principal dues of the financial creditors as on March 31, 2021 stand as under: a. Principal amount of Loans admitted by RP – Rs.920.49 crores b. Claims under verification by RP/Not filed – Rs.22.43 crores Total Rs.942.92 crores* *In addition, Contingent Claims arising out of Corporate Guarantee issued by the Company, has been admitted by RP for Bank of Baroda (Principal amount of Rs.95.29 crores plus Interest amount of Rs.37.17 crores aggregating to Rs.132.46 crores) and DBS Bank India Ltd. (Principal amount of Rs.21.66 crores and interest of Rs.2.08 crores aggregating to Rs.23.74 crores).
3	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 of none of the subsidiaries have been audited as at and for the year ended March 31, 2021 and hence,	In terms of Regulation 33(3)(h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The listed entity shall ensure that, for the purposes of quarterly consolidated financial results, at least eighty percent of each of the consolidated revenue, assets and profits, respectively, shall have been subject to audit or in case of unaudited results, subjected to limited review. The status of consolidation of financial results of all subsidiaries of the Company is as under:

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	we are unable to express any opinion on the subsidiary financial statements and thereby on the consolidated financial statements /financial information given the materiality of the subsidiaries. Status of financial information considered in preparing Consolidated Financial Statements is as under – 1 . Mercator Oil and Gas Limited (MOGL) – Not Available Mar'2021 2. Mercator Petroleum Limited (MPL) – Not Available Mar'2021 3. Oorja Resources India Private Limited – Not Available Mar'2021 4. Mercator Dredging Private Limited. (FPSO) (Formerly Mercator Offshore Logistic Private Limited) – Not Available Mar'2021 5. Mercator Oceantransport Limited – Not Available Mar'2021 6. Mercator International Pte. Limited – Management Certified Mar'2021 7. Offshore Holdings Company Pte. Limited – Not Available Mar'2021 8 Oorja Holdings Pte. Limited – Not Available Mar'2021 9. Mercator Energy Pte Limited – Under Liquidation June'2020 10. Mercator Offshore Assets Holding Pte Limited – Under Liquidation June'2020 11. Mercator Offshore (P) Pte Limited – Under Liquidation June'2020 12. Panther Resources Pte Limited – Not Available Mar'2021 13. Oorja (Batua) Pte. Limited – Not Available Mar'2021 14. Oorja 1 Pte. Limited – Not Available Mar'2021 15. Oorja Mozambique Lda – No Financials Mar'2020 16 MCS Holdings Pte. Ltd. – Management Certified Mar'2021 17. PT Karya Putra Borneo – Not Available Dec'2020 18. PT Indo Perkasa – Not Available Dec'2020 19. Oorja Indo Petangis Four – Not Available Dec'2020	(a) In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC), as mentioned in clause 5 (v) (c) above, the financial statements of Mercator Petroleum Limited, one of the material subsidiary of the Company for the quarter and year ended March 31, 2021 have neither been certified by the management and IRP nor have been audited and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available for the quarter and year ended March 31, 2021. (b) The financial statements of Mercator Oil and Gas Limited, another material subsidiary of the Company, have neither been certified by the management and IRP nor have been audited and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available with the Holding Company for the quarter and year ended March 31, 2021. (c) The financial statements of Oorja Resources India Pvt. Ltd, Mercator Offshore Logistics Pvt. Ltd. and Offshore Transport Pvt. Ltd. have neither been certified by the management and IRP nor have been audited and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available with the Holding Company for the quarter and year ended March 31, 2021. (d) Financials Statements of all Singapore subsidiaries and step down subsidiaries except Mercator International Pte Ltd. (MIPL) and MCS Holdings Pte Ltd. (MCS) have neither been certified by the management and IRP nor have been audited and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available with the Holding Company for the quarter and year ended March 31, 2021. (e) MCS Holdings Pte. Ltd. (under 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. The Financial Statements of MCS Holdings Pte Ltd. (MCS) have been certified by the management but have not been audited and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available with the Holding Company for the quarter and year ended March 31, 2021. (f) Mercator International Pte. Ltd. (under Liquidation) a material subsidiary of the Company at Singapore, currently under liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been

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	20. Oorja Indo Petangis Three – Not Available Dec'2020 21. Bima Gema Permata, PT – Not Available Dec'2020 22. Oorja Indo KGS – Not Available Dec'2020 23. Broadtec Mozambique Minas Lda – Not Available Mar'2020 24. Marvel Value International Limited (BVI) – Dissolved effective August'2020 Further, due to non – availability of the relevant financial information from the subsidiaries, certain reporting done in the statement of cash flow may not reflect the correct position.	appointed as joint and several liquidators of Mercator International Pte. Ltd. The Financial Statements of Mercator International Pte Ltd. (MIPL) have been certified by the management but have not been audited and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available with the Holding Company for the quarter and year ended March 31, 2021. (g) Audited or management certified Financial Statements of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the quarter and year ended March 31, 2021 have not been provided to the Parent Company and hence their financial statements available for the 9 months period ended December 31, 2020 have been considered for the purpose of preparation of Consolidated Financial Statements for the quarter and year ended March 31, 2021. As none of the audited Financial Statement of the Subsidiaries were available as on March 31, 2021, the Company could not comply with the aforesaid regulations. 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.
4	Regarding interest or any other charges not being accrued in the books of accounts of the Holding Company from the date of commencement of CIR process, i.e. 8th February, 2021 onwards, on account of moratorium under section 14 of Code.	Interest or any other charges has not been accrued in the books of accounts of Holding Company from the date of commencement of CIR process, i.e. 8th February, 2021 onwards, on account of moratorium under section 14 of Code.
5	Regarding the Group's investment carried at Fair Value through Profit and Loss Account pertaining to its coal mining and related infrastructure assets in Indonesia on which reduction in fair value of Rs. 24.56 crore was recognized during the year ended March 31, 2021 basis an independent valuation report conducted on December 31, 2020. We are unable to comment on the impact on the fair valuation of these financial assets and consequently the financial results, had the valuation been done as on March 31, 2021 or the impact of the liquidation of the intermediate subsidiary.	The Group has last carried out valuation of underlying investment in coal mining and logistic company situated in Indonesia for determining of fair valuation of these financial assets as per local regulations as on December 31, 2020. The Group had recognized reduction in fair value of such financial instrument amounting to Rs.24.56 Crore (USD 3.34 Mn) in the quarter ended March 31, 2021. Such reduction was on account of account of sharp fall in coal prices, reduction in absolute realization of coal handling fees for one of major customer, cost of production and change in assumption of terminal value based on extension of mining license. The fair value as on March 31, 2021 can be substantially different in view of the valuation factors.
6	Regarding unprovided current tax demands under dispute, pertaining to Holding Company, to the tune of Rs.63.18 crore pending at various judicial forums of the Income Tax department. In the absence of the required supporting documents justifying the stand of the Holding Company we are unable to comment on final outcome of such assessments and the potential financial impact of the same.	At standalone level, Non-Current Tax Assets as on March 31, 2021 amount to Rs.54.83 crore includes Rs.69.19 crore which has not been settled due to on-going tax assessment for various Assessment Years from AY 2003-04 to AY 2015-16 against which net tax demand of Rs.63.18 crore has been received and contested by the Company. The management is taking steps to resolve the cases with the income tax department.
7	Regarding termination of Sagar Samrat Conversion Project (SSCP), undertaken by a	MOGL was engaged in EPC project awarded by ONGC for conversion of their Mobile Offshore Drilling Unit (MODU) 'Sagar

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	subsidiary Mercator Oil & Gas Ltd. (hereinafter referred as "MOGL" or "subsidiary"), by ONGC, which is currently under arbitration. The amount standing under Other Financial Assets is Rs. 204.60 crore. The amount of recoverability and ultimate impairment would depend on the outcome of the arbitration proceedings, which is uncertain as on the date of financial results.	Samrat' into a Mobile Offshore Production Unit (MOPU). On September 25, 2018, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project after completing almost 96% of the project. MOGL has since initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed. The proceedings are underway. In addition to above, based on the order of Hon'ble Bombay High Court dated July 29, 2019, ONGC had invoked Bank Guarantee amounting to Rs.142.19 crore which had been accounted in the books of the accounts of MOGL in the previous year. Based on the progress of the arbitration proceedings and discussion with the legal counsel, the management is hopeful of a positive outcome in the claim of INR 1,925 crores filed against ONGC. Accordingly, the Company has reversed 50% impairment of interest income (Rs.2.13 crores) and amount advanced to MOGL (Rs.0.69 crores) during the preceding three quarters of FY 2020-21 (other receivables) and made 50% impairment for the last quarter ended March 31, 2021, for an amount of Rs. 0.71 crore (Rs.2.84 crore in the year ended March 31, 2021) towards accrued interest on loan given to MOGL and Rs.0.70 crores (Rs.0.70 crore in the year ended March 31, 2021) towards amount advanced to MOGL. Further, one of the operational creditors has filed petition u/s 9 of IBC 2016 wherein the NCLT bench has kept the status as "Reserved for Order.
8	Regarding one of the consortium partners in SSCP ('GPC') has filed a claim against the MOGL in Abu Dhabi First Instance Court wherein the Court after review sought for work undertaken and change of assessment base, ordered MOGL to pay USD 5.7 million (equivalent Rs.41.90 crore) and interest @ 5% p.a. from date of case filed until actual payment. However, MOGL had not accepted the claim and recognized Rs.22.97 crore as contingent liability on the subject matter. Further, one of the operational creditors has filed petition u/s 9 of IBC 2016 wherein the NCLT bench has kept the status as "Reserved for Order". The financial statements as on March 31, 2021 has been incorporated basis the information available with the management of the Holding Company, however the same is not certified by the management of the MOGL. In the view of the above, we are unable to comment on the potential financial impact of the same on the Consolidated Financial Results.	A claim of Rs. 1,925 crores (USD 262 Mn) has been made by the subsidiary company on ONGC. In the view of the management and based on legal advice, an estimated amount of INR 1274 crores (USD 173.36 Mn) could probably be awarded as payable to the Company. However, any impact of the settlement will be known only after completion of the ongoing arbitration proceedings. MOGL has an ongoing dispute with its consortium partner M/s Gulf Piping Co Ltd (GPC) and based on an order of the Abu Dhabi Court a final liability of USD 5.7Mn (Rs.43.05 crore) along with interest at 5% interest p.a. is payable to them. MOGL has filed scheme of arrangement in NCLT for deferring payment of all creditors and has considered the same as a contingent liability.
9	Regarding notice received by a subsidiary company, Mercator Petroleum Limited (hereinafter referred to as "MPL"), from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per terms and conditions of PSC. In case MPL's stand is not accepted by MOPNG, the estimated financial impact on the group would be to the tune of Rs.35.80 crore. Further, the impact of insolvency	In October, 2019, MPL has received notice of termination from the Ministry of Petroleum and Natural Gas (MOPNG) in compliance with Production Sharing Contract (PSC) for its non-operative oil Block (CB-3) and also has demanded costs and other dues to be determined as per terms and conditions of PSC. The subsidiary is confident of defending the amounts claimed by Directorate General of Hydrocarbon (DGH). In event of rejection of subsidiary's contention, estimated financial impact would be approx. Rs.35.80 Crore.

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	proceedings, as MPL is under insolvency, the impact of the same has not been considered.	
10	Regarding the fact that, MPL had entered into a Farm-in Farm-out ('FIFO') agreement and deed of assignment with one of the prospective buyers for sale of participating interest ('PI') in oil block CB-9. As per the FIFO agreement, the estimated sale price for PI in CB-9 was approximately Rs. 252 crore however the long stop date has expired and the transaction has not been concluded as yet. MPL on the basis of the aforesaid agreement had re-valued its non-current asset and provided impairment loss aggregating to Rs. 12.75 crore in the previous financial year. As per Ind AS 105, an entity should value its non-current asset held for sale at the lower of carrying amount or fair value. Further, the petition filed in NCLT, Mumbai Bench by an operational creditor against MPL has been admitted vide Order dated Aug 31, 2020 and an Interim Resolution Professional (IRP) has been appointed. As per the explanations provided to us and basis the financial results / financial information provided by the management / RP of the Holding Company, MPL has not been able to provide any valuation report with respect to fair value of oil block CB-9 on which reliance can be placed. The financial statements as on March 31, 2021 has been incorporated basis the information available with the management of the Holding Company, however the same is not certified by the management or IRP of the MPL.	The Board of Directors has approved strategic sale of participating interest in oil block CB-ONN-205/9 (CB-9) of MPL. The subsidiary company has executed Farm in Farm Out agreement dated December 26, 2019 with a prospective buyer at a sale price of Rs.252 crore. The Group has accordingly considered the amount of Rs.252 Crore under capital work in progress as an Asset Held for Sale. MPL has executed an amendment to the original Farm in Farm Out agreement dated December 26, 2019 for extension of the long stop date to October 31, 2020. The Company is hopeful of concluding the sale within the further extended timelines, if and whenever agreed with the prospective buyer. The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against one of the material subsidiary of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order who has taken charge under the directions of the Committee of Creditors. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. In terms of the update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had invited Resolution Plans from the eligible bidders. IRP had received a positive response. As part of the process, these Resolution Applicants have been carrying out the necessary due diligence. During the quarter ended March 31, 2021, the Company has provided additional impairment of Rs.1.17 crore (Rs.4.59 crore in the year ended March 31, 2021) towards accrued interest on loan to Mercator Petroleum Limited (MPL), Rs.0.47 crore (Rs.1.89 crore in the year ended March 31, 2021) towards interest accrued on 6% optionally convertible debentures issued by MPL and Rs.Nil (Rs.3.49 crore in the year ended March 31, 2021) towards other receivables, on evaluating the developments.
11	The Holding Company has failed to pay the installment due of the debentures on the due date and failed to pay the interest due thereon for a continuous period of more than a year. Hence, all the directors of the Holding Company are disqualified from being appointed as director in terms of Section 164 (2) of the Act.	All of the directors on the Board of Directors of the Company are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
12	Regarding balance confirmations not been received in respect of various secured / unsecured loans, trade receivables, trade and other payables, and loans and advances for several entities of the group as a result of which reconciliation process and consequential adjustments, if any, has not been carried out in these entities. The Group has adjusted / provided significant amounts basis its	Due to impediments created due to Covid lockdown, the Holding Company and some of its subsidiaries have been able to obtain selective confirmations from various debtors, loans and advances, from banks and others, current accounts from banks, trade and other payables. Accordingly, adjustments if any arising out of reconciliation with these parties is not readily available. The Company has carried out its internal assessment and provided/

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	internal estimates, against which necessary supporting documentation has not been made available for verification.	written off/ back these receivables/ payables/ loans and advances.
13	Regarding non – compliance of Section 134 and 149 of the Companies Act 2013 in case of certain material subsidiaries.	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. 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.

SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s. Shalinder Kaur & Associates, Company Secretaries as Secretarial Auditor of the Company for the financial year 2020-21 at the meeting of the Board (RP & Directors) held on June 23, 2021 and thereafter, ratified by the Committee of Creditors. The Company has obtained the Secretarial Audit Report for the financial year ended on March 31, 2021, from M/s. Shalinder Kaur & Associates, Company Secretaries which is appended as Annexure IV and forms part of this report.

With respect to the responses on behalf of the Company on all the observations made by the Secretarial Auditor (as appended under **Annexure IV** of this Report), this is to place on record that the sincere efforts and necessary steps are being taken by the Company to rectify the non- compliances as observed during the period under review. Further, as the members are aware that there was a nationwide lockdown as directed by the Central and the State Governments due to prevailing COVID-19 Pandemic covering the majority of period under review, as a result of which the Company faced various hardships in complying with certain statutory requirements as prescribed under the laws applicable to the Company.

In regard to the compliances with respect to the Listing Regulations, it is hereinafter worthy to mention that in terms of sub-regulation 2A and 2B of Regulation 15 of Listing Regulations as amended from time to time, the provisions as specified in Regulations 17 to 21 shall not be applicable to the listed entity which is undergoing CIRP under the Code. Accordingly, the provisions specified in Regulations 17 to 21 are not applicable to the Company with effect from quarter ended March 31, 2021.

ANNUAL SECRETARIAL COMPLIANCE REPORT:

Pursuant to circular No. CIR/ CFD/ CMD1/ 27/ 2019 dated February 8, 2019, issued by Securities and Exchange Board of India (SEBI), the Company has obtained Annual Secretarial Compliance Report, from M/s Manish Ghia & Associates, Company Secretaries on compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder and the same has been submitted to the Stock Exchanges.

MAINTAINENCE OF COST RECORDS:

Pursuant to the provisions of Section 148(1) of the Act, the government has not prescribed maintenance of the cost records in respect of services dealt with by the Company. Hence, the prescribed section for maintenance of cost records is not applicable to the company during the year under review.

INTERNAL AUDIT

Pursuant to the provisions of Section 138 of the Act, the Company was required to appoint an internal auditor. The Company has appointed M/s. J D Jhaveri & Associates, Chartered Accountants as the Internal Auditor of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company operates offshore and onshore activities in environment friendly manner. The major activities carried by the Company are offshore and your Company work towards minimizing the impact of its operations on the environment including marine life. Several steps are taken for conservation of energy, some of which are listed below:

(A) Conservation of Energy:

(i) The steps taken or impact on conservation of energy:

- Having regular track on weather updates, M/E RPM and settings of the Auto Pilot System of Vessels are adjusted accordingly which in turn helps to save the fuel oil.

Besides, the crews are properly trained to steer in bad weather using minimum Rudder movements.

- Cleaning of Hull and Polishing the propeller in afloat condition of some of the vessels was done
- To reduce the Hull Roughness and thereby fuel consumption.
- Using the latest Performance Monitoring Technology helps in maintaining engines and generators of Vessels in good conditions; which leads higher operation efficiently and reduce consumption of energy considerably.
- Weekly inspection of entire vessels and providing training to Crew and Officers about preservation of resources by Master brings the consumption of energy down.
- Machineries are run efficiently by following the laid down procedures and following the PMS (Planned Maintenance Schedule) so that fuel consumption are kept under control.
- Machineries which are not required are immediately shut down, this reduces the load on generators which leads to fuel saving.
- Cargo Planning load and discharge is done in such a way so as to use relevant cargo gear to the optimum levels. Ballasting and De-ballasting is carried out by using gravity which shortens time frame to use pumping arrangements, this in turn helps us to reduce fuel consumption.

(ii) The steps taken by the company for utilizing alternate sources of energy: Since your Company operates mostly from offshore; options for utilizing of alternate sources of energy options are minimal but your Company takes every necessary step to use alternate energy source as and when available.

(iii) The capital investment on energy conservation equipment's: Your Company has not made any material capital investment on energy conservation equipment during the year. All vessels are equipped with Exhaust Gas Economizers, so that the hot exhaust gases which are going up the funnel are used to provide heat source, this piece of equipment undergoes regular repairs and maintenance.

(B) Technology Absorption:

Your Company has neither entered into technical collaboration with any entity, relating to technology absorption nor imported any technology during the year.

(C) Foreign Exchange Earnings and Outgo:

Your Company has earned foreign exchange of Rs.0.03 crores (previous year Rs. 69.12 crore) and spent Nil (previous year Rs.14.13 crore) in foreign exchange, on account of import of stores & spares, capital goods, repairs / renovations of vessels, bunker, other vessel expenses, travelling and interests etc.

(D) Expenditure Incurred on Research & Development:

During the year, the Company has not incurred any expenditure on research and development.

ANNUAL RETURN:

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the Annual Return in the prescribed format is available on the website of the Company at www.mercator.co.in.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

In compliance with regulations under the Act, CSR Committee has been constituted and CSR policy has been adopted by the Company. Since, the Company has been incurring losses, accordingly, during the year under review, the liability of the Company towards CSR was NIL. Therefore, in accordance with the applicable provisions of Section 135 of the Act read with rules thereunder, the reporting on CSR shall not be required. The details of the Committee are set out in the Report on Corporate Governance forming part of this Report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year; were on an arm's length basis and in the ordinary course of business. The requirement of giving particulars of contracts/arrangement made with related parties, in Form AOC-2 are not applicable for the year under review. There were no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all such related party transactions is placed before the Audit Committee and the Board of Directors for their approval on quarterly basis. The Company has framed a Related Party Transactions policy to ensure proper identification, approval process and reporting of

transactions. The policy on Related Party Transactions as approved by the Board is available on the Company's website at www.mercator.co.in

RISK MANAGEMENT POLICY:

The Company has a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Report. The Company has framed policy to identify, evaluate business risks and opportunities and to mitigate the risk. The policy defines the risk management approach at various levels including documentation and reporting. The policy helps in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in place adequate internal financial controls. The Audit Committee of Directors periodically reviews the internal control systems with the top management and the Statutory and Internal Auditors. The Audit Committee also looks after adequacy of internal audit function, significant findings of the internal audit, and subsequent follow-up action on the same from time to time.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a Vigil Mechanism and Whistle Blower Policy for Directors and employees to deal with instance of fraud and mismanagement. The policy facilitates reporting of genuine concern or grievances, unethical behavior, actual or suspected fraud, or violation of the Code of Conduct of the Company, or its ethics Policy. They provide adequate safeguards to Directors/employees who avail of the mechanism. The same is overseen by the Audit Committee. During the year under review, no personnel of the Company approached the Audit Committee on any issue falling under the Policy. The said Policy is posted on the website of the Company at www.mercator.co.in

INFORMATION UNDER THE SEXUAL HARASSMENT OF WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and therefore has adopted a "Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace" in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 "POSH Act" and the Rules made thereunder. An Internal Compliant Committee (ICC) had been set up in compliance with the provision of the said Act. However, since in the last quarter, the Company had entered in the process of CIRP and since there are no employees other than the Chief Financial Officer of the Company, hence, the provisions of the POSH Act, become ineffective. During the year under review, no complaint was registered under the said provision.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(3)(c) of the Act, the Directors hereby confirm that:

i. In preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of loss of the Company for the year ended on that date;

iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;

iv. They have prepared the annual accounts for the financial year ended March 31, 2021 on a going concern basis;

v. They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

Except as disclosed in this Report, no significant and material order was passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have any bearing on Company's operations in future.

TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the Demat account of the IEPF Authority.

During the year under review, the Company has not transferred any shares to the IEPF Authority, in respect of which dividend had not been paid or claimed by the members for seven consecutive years or more.

The Company has intiated steps to communicate to the concerned shareholders, whose equity shares are liable to be transferred to the IEPF, to enable them to take appropriate action for claiming the unclaimed dividends and equity shares, if any, by due date, November 29, 2021, failing which the Company would transfer the aforesaid equity shares to the IEPF as per the procedure set out in the Rules. The details of such equity shareholders and equity shares due for transfer are uploaded on the website of the Company (www.mercator.co.in).

DISCLOSURE IN RESPECT OF STATUS OF APPLICATION OR PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE:

The Company is undergoing the CIRP which has been initiated vide an order no. CP(IB) 4404/2019 dated February 08, 2021 ("Order") of the Hon'ble National Company Law Tribunal, Mumbai Bench in terms of the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"), pursuant to an application filed by ICICI Bank, Financial Creditor of the Company, bearing Company Petition No. (IB) 4404/MB/2019 in the matter of ICICI Bank Ltd v/s Mercator Ltd & Anr., under Section 7 of the Code. Pursuant to the Order, Mr. Girish Siriram Juneja, was appointed as the Interim Resolution Professional (IRP) and subsequently, confirmed as the Resolution Professional (RP) by the Committee of Creditors (CoC).

Currently, the Resolution Plans for the revival of the Company, are yet to be submitted by the Prospective Resolution Applicants (PRAs), in accordance with the provisions of the Code and regulations framed thereunder.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the year under review, no such valuation was done at the time of one time settlement and while taking loan from bank or financial institution.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

ACKNOWLEDGEMENTS:

The Directors express their sincere thanks to all customers, suppliers, service providers, regulators, Governmental agencies and other statutory authorities for their continued whole hearted support to the Company during the year. We also acknowledge the support lent and confidence bestowed upon us by our bankers and stakeholders.

For and on behalf of the Board
For Mercator Limited

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

Powers of the board are suspended from the Insolvency Commencement Date

Taken on record by

Girish Siriram Juneja
Resolution Professional for
Mercator Limited
Reg.: IBBI/IPA001/IP-P00999/2017-2018/11646

Regd. Office:
83-87, 8th Floor, Mittal Tower,
B-wing, Nariman Point,
Mumbai - 400 021

Dated: August 12, 2021

Annexure I

Management Discussion & Analysis

Review of performance

We are a diversified group with business operations spread across several key industries like shipping, dredging, coal mining and logistics, and oil & gas exploration and production. We were operating a fleet of oil tankers, serving Indian and international waters, along with dredgers in Indian ports until Financial Year 2019-20. We have coal mines and logistics infrastructure services in Indonesia, a mining license in Mozambique and oil blocks in India's Cambay basin. The Company had an EPC project for ONGC which was wrongly terminated by the contractor in the previous years. Our projects span across India and Indonesia.

The consolidated revenue from operations (continuing business) for FY21 stood at Rs.373.78 Crores compared to Rs.638.61 Crores in FY20. The consolidated EBIDTA is Rs.52.78 crores against Rs.-301.08 crores in the previous year. The consolidated loss before tax was Rs.304.09 crores against previous year loss before tax of Rs.898.48 crores. The loss after tax was Rs.319.67 crores as against loss after tax of Rs.909.53 crores in the previous year.

NCLT UPDATES:

In accordance with an application made by ICICI Bank, Financial Creditor of the Company, the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated February 08, 2021("Order") in Company Petition No. (IB) 4404/MB/2019 ("Insolvency Commencement Order") in the matter of ICICI Bank Ltd V. Mercator Ltd & Anr., has initiated Corporate Insolvency Resolution Process ("CIRP") against Mercator Limited, Corporate Debtor ("the Company") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Pursuant to the Order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who has been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC).

Debt status

Total Debts at standalone levels and consolidated levels as on March 31, 2021 stands at Rs.942.92 crores and Rs.1608.87 crores respectively. We have further deleveraged Long-term debts by selling the Floating Storage and Offloading Unit (FSO) 'Prem Pride' in the previous financial year 2019-20 on January 16, 2020 for Rs.49.54 crores and Vessel M. T. Hansa Prem on March 23, 2020 through an e-auction process for a consideration of USD 3.60 Mn plus taxes and in the financial year 2020-21, sold the Vessel M. T. Prem Mala vide Hon'ble Bombay High Court's order dated May 26, 2020, confirmed the sale of the Vessel under the auction process to the highest bidder at a consideration of Rs.36.40 Crores.

As per the Code, the RP has to receive, collate and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the COC. The RP is still in the process of collating and verifying such claims, as and when they are received, and shall subsequently admit such verified claims against the Company as per the Code. Pending admission of the claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the audited financial statements. At the standalone level, Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on Insolvency Commencement Date ("ICD date") (Rs.920.49 crore). Total amount of claims towards principal dues of the financial creditors as on March 31, 2021 stand as under:

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

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

At the consolidated level, there are total claims of Rs.1,580 crores as on date receivable by the Company which we believe that if realised, provide a reasonable sufficient opportunity for the repayment of loans from lenders and provide required resources for the development of business opportunities for the revival.

Global Economy

The global economy is climbing out from the depths to which it had plummeted during the Great Lockdown in April. But with the COVID-19 pandemic continuing to spread, many countries have slowed reopening and some are reinstating partial lockdowns to protect susceptible populations. While recovery in China has been faster than expected, the global economy's long ascent back to pre-pandemic levels of activity remains prone to setbacks. In more than 60 per cent of countries worldwide, the 2021 GDP is projected to remain below the 2019 level. The outlook is particularly dire for Latin America and the Caribbean, where most countries are not expected to return to the pre-pandemic GDP level before 2023. Global growth is projected at 6% in 2021, moderating to 4.4% in 2022. The projections for 2021 and 2022 are

stronger than in the October 2020 World Economic Outlook (WEO). The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. High uncertainty surrounds this outlook, related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.

Indian Economy

The second wave of Covid-19 in India was four times worse than the first wave in terms of infections and deaths seen in the country. The second wave disrupted the already battered growth process from the first wave. The Indian economy is likely to grow 8.4-10.1% for the current financial year as against a contraction of 7.3% in the last fiscal, according to the economic think-tank National Council of Applied Economic Research (NCAER). Real GDP growth is now projected at 9.5 percent in 2021-22 consisting of 18.5 percent in Q1; 7.9 percent in Q2; 7.2 percent in Q3; and 6.6 percent in Q4 of 2021-22 in the view of the Reserve Bank of India.

India's economy is on the mend after the pandemic-induced shocks but it may take "an additional year or so" to achieve the $5 trillion-mark economy for which India had set a target by 2024-25. The economy has started to recover rapidly after the second wave of the pandemic subsided, and the GDP growth rate is expected to be positive. If no major damage from the (possible) third wave of the pandemic is seen in the country and vaccination continues at the same pace, then it is possible to see growth in the economy in the next few months

Dredging

Indian ports & dredging industry

India has 12 major ports -- Kandla, Mumbai, JNPT, Marmugao, New Mangalore, Cochin, Chennai, Ennore, V O Chidambarnar, Visakhapatnam, Paradip and Kolkata (including Haldia) which handle approximately 61 per cent of the country's total cargo traffic. According to Niti Aayog, India needs to open up its dredging market to boost trade by its major ports which at present cannot handle very large vessels in absence of deep draft (depth). More competition mainly from global players in dredging activities would help increase and maintain draft depth at ports and attract large vessels, enabling them to become hub ports.

At present, the Dredging Corporation of India (DCI) and a limited set of private vendors serve the Indian dredging market, limiting competition. The picture looks gloomier after the sale of entire equity of the government in Dredging Corporation of India (DCI). As much as 76 per cent of the ₹700 crore maintenance dredging market at India's state-run major Port Trusts is now out of bounds for private dredging contractors after a consortium of four port trusts—Visakhapatnam, Deendayal, Paradip and Jawaharlal Nehru—bought Centre's 74.44 per cent stake in the Dredging Corporation of India Ltd (DCI). This is because the four port trusts as the new owners of DCI are likely to favour giving maintenance dredging contracts to DCI on nomination basis (without a tender) at their own ports. Private dredging contractors will be left with nothing if the four port trusts influence the other seven port trusts and one state-run corporate port (Kamarajar Port) to opt for the nomination route to award contracts. Foreign players will be attracted to the market if the government promoted measures such as consolidating dredging contracts across cohorts of ports and withdrawing, at least temporarily, the right to first refusal given to Indian vendors. To enable major ports to handle large vessels, the government has already made an action plan to increase the draft depth of ports. Most major ports have already achieved a draft depth of 14 metres or more except Kolkata Port, where deeper draft has not been feasible because of the riverine nature of the port. Some major ports are striving to achieve deeper drafts up to 18 metres. The outer harbour in Visakhapatnam has very deep draft of more than 18 metres. Work is in progress to create a draft of more than 18 metres in Mormugao and Kamarajar Port.

Dredging is an integral part of port and maritime sector, but at the same time it is a capital intensive activity, which calls for an innovative approach to dredging to keep a check on cost. There is huge potential available in terms of maintenance, capital dredging works, flood control management, coastal defence works, dredging and training of the inland waterways. If the government decides to desilt dams and reservoirs that shall require additional capacity of inland dredgers to desilt dams and reservoirs as well the national waterways. Investors need to take a close look at the market predictions in the last two decades to understand the shortage of dredging capacity in the Indian market which shall prove the viability and potential in the dredging.

India dredging market is expected to grow at a CAGR of nearly 4.4% during the forecast period 2020-2026. The Indian dredging industry is significantly driven by the increasing demand for dredging from its major and non-major ports. Owing to the recent developments to encourage local manufacturing coupled with the Make in India initiative and the government's focus for the development of the Indian maritime sector, the dredging sector is gaining significance across the country. India has 12 major ports and nearly 200 non-major ports administered by Central and State Governments, respectively. Indian ports are focusing on handling more cargo with the accommodation of larger vessels and fulfilling global standards in port infrastructure to achieve economies of scale.

Therefore, Indian ports are working towards the development of the basic infrastructure such as mechanization and the creation of more berths and deepening of channels, which will offer strong demand for the dredging operations. Moreover, the development of greenfield ports would also propel the demand for dredging in India. As per the Ministry of Shipping (MoS), in the next few

years, most of the key ports would increase their capacity to accommodate bigger ships. Apart from these, the increasing need for new developments from Navy, offshore exploration, and national waterways, the scope of the Indian dredging industry seems vast.

Operational Highlights

The revenue of the division fell from 23.78 crores to Rs.6.85 crores, a drop of 71%. Owing to the high cost asset nature of the business, the Company continued to incur huge standing costs for the dredgers, which was not sustainable.

After due consideration of the business opportunities and other governing factors, the Company decided to revamp its strategy in respect of the dredging division. With a view to reduce and eliminate the standing cost of the dredgers, the Company moved towards an asset light model by monetizing the dredgers owned by it. The Company continues to explore suitable opportunities in the asset light model, where the dredging qualifications, experience, expertise of the Company can be leveraged.

During FY 2020-21, the Company has executed the contract at Mumbai Port. This was an asset light dredging contract. Owing to its experience and qualifications the Company shall continue to carry on the Dredging business and may do capex light expansion at an opportune time subject to the market conditions and commercial viability.

An injunction order against Dredging Corporation of India (DCI) in the matter of execution/enforcement order was passed by Hon'ble Delhi High Court in April 2019 followed by directions in the last hearing held on October 31, 2019 to DCI to deposit the entire award amount (for ~Rs.48 crores) along with up to date interest with the Court within 6 weeks. The petition on the execution order in the DCI matter is scheduled for final hearing and the same has been getting adjourned due to the pandemic.

Shipping

Global Shipping

al shipping industry is responsible for the carriage of around 90% of world trade. Shipping is the lifeline of the global economy. Without shipping, intercontinental trade, the bulk transport of raw materials, and the import/export of affordable food and manufactured goods would simply not be possible.

Seaborne trade continues to expand, bringing benefits for consumers across the world through competitive freight costs. Thanks to the growing efficiency of shipping as a mode of transport and increased economic liberalisation, the prospects for the industry's further growth continue to be strong.

Because of its inherently international nature, the safety of shipping is regulated by various United Nations agencies. The International Maritime Organization (IMO) in particular has developed a comprehensive framework of global maritime safety regulations, which are enforced on a worldwide basis. IMO regulations to reduce sulphur oxides (SOx) emissions from ships first came into force in 2005, under Annex VI of the International Convention for the Prevention of Pollution from Ships (known as the MARPOL Convention). Since then, the limits on sulphur oxides have been progressively tightened. From 1 January 2020, the limit for sulphur in fuel oil used on board ships operating outside designated emission control areas is reduced to 0.50% m/m (mass by mass). This will significantly reduce the amount of sulphur oxides emanating from ships and should have major health and environmental benefits for the world, particularly for populations living close to ports and coasts.

The global shipping containers market is expected to decline from $8.16 billion in 2020 to $8.36 billion in 2021 at a compound annual growth rate (CAGR) of 2.48%. The market is expected to reach $10.73 billion in 2025 at a CAGR of 6.46%. The global maritime freight transport segment is expected to exhibit a growth of about 4% during the forecast period. The traditional port world is changing as the demographical, technological, and sustainability drivers are affecting the daily business and shaping several important trends. The global shipping industry is expected to face a number of challenges including geopolitical uncertainties, such as the US-China trade negotiations and Brexit. China has a strong influence on the shipping sector since it is a major trade partner for several countries. Although, the container shipping market in China is facing some early year disruption due to COVID-19. Even though the bunker prices have been increased about 35-45% from January 2020, largely due to changes in fuel regulation on the usage of Low Sulphur Fuel by IMO 2020, the crash in the oil prices due to COVID-19 have nullified this effect. Tanker rates have profited tremendously from high demand for floating storage, but the charter rates are expected to return closer to long-run averages in the second half of the year as broad economic weakness finds its way into the tanker market.

According to UNCTAD (United Nations Conference on Trade and Development), international maritime trade is driven in particular by growth in containerized, dry bulk and gas cargos. However, uncertainties like the geopolitical tensions and global pandemic like COVID-19 remain an overriding theme in the current maritime transport environment, with risks tilted to the downside. The long-term trend towards the containerization of general cargo is upward rising. A large share of globalized containerized trade continued to be carried across the major East-West containerized trade arteries, namely Asia-Europe, the Trans-Pacific and the Transatlantic. Containerized and dry bulk trades are expected to grow at a compound annual growth rate of 4.5% and 3.9%, respectively, over the forecasting period.

The Asia Pacific region consists of some of the fastest-growing economies in the world like China and India. This growth in the maritime transportation sector is supported by the trade exchanges by these countries of which, the majority of international trade takes place via sea routes. The central role of Asia in global trade and shipping is also highlighted by trends in global container port-handling activities. Asian countries are experiencing a large increase

in intra-regional trade mostly based on manufacturing trades and reflecting fragmented production processes where parts are generally manufactured in multiple locations across Asia and assembled in another location. This is also expected to increase trade, supported by marine transportation. Demand growth originated mostly in Asia, bolstered by ongoing energy policy shifts and rising export capacity in Australia and the United States.

The global maritime transport market is fairly concentrated, with a few players accounting for significant amounts of shares in the market. Maritime transport is a complex area of activity, owing to the inherently international nature of shipping and its multi-stakeholder dimension. The companies in the sector, currently are focusing on complying with the International Maritime Organization's lower global sulphur cap on marine fuels (IMO 2020) from January 2020 as the segment moves towards implementing the plans to reduce its carbon footprint and contribution to pollution.

Indian Shipping industry

According to the Ministry of Shipping, around 95% of India's trading by volume and 70% by value is done through maritime transport. In November 2020, the Prime Minister, Mr. Narendra Modi renamed the Ministry of Shipping as the Ministry of Ports, Shipping and Waterways.

India has 12 major and 205 notified minor and intermediate ports. Under the National Perspective Plan for Sagarmala, six new mega ports will be developed in the country. The Indian ports and shipping industry play a vital role in sustaining growth in the country's trade and commerce. India is the sixteenth-largest maritime country in the world with a coastline of about 7,517 kms. The Indian Government plays an important role in supporting the ports sector. It has allowed Foreign Direct Investment (FDI) of up to 100% under the automatic route for port and harbour construction and maintenance projects. It has also facilitated a 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports.

India's key ports had a capacity of 1,534.91 million tonnes per annum (MTPA) in FY20. In FY21, all key ports in India handled 672.60 million tonnes (MT) of cargo traffic. Merchandise exports reached US$ 255.92 billion in FY21 (until February 2021). The Government has taken several measures to improve operational efficiency through mechanisation, deepening the draft and speedy evacuations.

Investments/Developments

- In April 2021, the Competition Commission of India (CCI) approved the plan to acquire 89.6% Gangavaram Port Limited by Adani Ports and Special Economic Zone Limited (APSEZ).
- In April 2021, Adani Ports signed an agreement with Vishwa Samudra Holdings Pvt. Ltd., to acquire 25% stake of Adani Krishnapatnam Port Limited (Krishnapatnam Port) for a consideration of Rs. 2,800 crore (US$ 226.4 billion).
- In March 2021, Adani Ports and Special Economic Zone Limited (APSEZ) announced plans to acquire 58.1% stake in Gangavaram Port Limited for Rs. 36.04 billion (US$ 493.7 million). The port is currently owned by DVS Raju and family
- In March 2021, Adani Ports announced to partner with John Keells Holdings and Sri Lankan Ports Authority to develop and operate the West Container Terminal of the Colombo Port in Sri Lanka for 35 years
- In February 2021, JNPT (Jawaharlal Nehru Port Trust) launched a comprehensive solid waste management project as a part of its green port initiatives.
- In November 2020, Mormugoa Port Trust (MPT), operator of the western Indian port of Mormugoa, extended concessions on iron ore imports and export freight traffic until June 2021 to help ease India's iron ore shipping trade amidst the COVID-19 pandemic.
- In November 2020, JSW Infrastructure completed the acquisition of Chettinad Group's port business for ~Rs 1,000 crore (US$ 135.50 million). This acquisition will enable JSW Infrastructure to gain ownership and operational control of a deep draft international coal terminal and a bulk terminal at Kamarajar Port Limited (KPL) as well as coal and bulk commodity terminal at New Mangalore Port Trust (NMPT).
- In October 2020, Adani Ports and Special Economic Zone Limited (APSEZ) completed the acquisition of Krishnapatnam Port Company Ltd. (KPCL) for an enterprise value of Rs 12,000 crore (US$ 1.63 billion)
- In July 2020, Adani Ports and Special Economic Zone (SEZ) Ltd, launched an offshore bond offering, raising ~US$ 750 million.
- Ports sector in India has received a cumulative FDI worth US$ 1.63 billion between April 2000 and June 2020.
- In January 2020, DP World launched a new rail service between Kochi and Bangalore to lower costs and reduce transit time between the two cities by >40%.

Government Initiatives

Some of the major initiatives taken by the government to promote the ports sector in India are as follows:

- On May 10, 2021, JNPT and New Mangalore Port handled 120 tonnes of medical oxygen on a priority basis owing to the COVID-19 pandemic.
- India is expected to begin full operations in Iran's Chabahar Port by the end of May 2021. India is building two terminals at the port and will operate them for 10 years
- In Union Budget 2020-21, the total allocation for the

Ministry of Shipping was Rs.1,702.35 crore (US$ 233.48 million).

- The key ports are expected to deliver seven projects worth more than Rs.2,000 crore (US$ 274.31 million) on a public-private partnership basis in FY22. Private sector investments in ports have steadily increased over the last five years, touching an all-time high of US$ 2.35 billion by 2020.
- The Finance Minister proposed to double the ship recycling capacity of ~4.5 million light displacement tonnes (LDT) by 2024; this is expected to generate an additional ~1.5 lakh employment opportunities in India.
- In Union Budget 2021, the government announced subsidy funding worth Rs.1,624 crore (US$ 222.74 million) to Indian shipping companies to encourage merchant ship flagging in the country.
- In February 2021, the Major Port Authorities Bill, 2020 was passed by the Parliament of India. The bill aims to decentralise decision-making and reinforce excellence in major port governance.

Road Ahead

Increasing investment and cargo traffic point towards a healthy outlook for the Indian ports sector. Providers of services such as operation and maintenance (O&M), pilotage and harbouring and marine assets such as barges and dredgers are benefiting from these investments.

The capacity addition at ports is expected to grow at a CAGR of 5-6% till 2022, thereby adding 275-325 MT of capacity.

Domestic waterways have found to be a cost-effective and environmentally sustainable mode of freight transportation. The government aims to operationalise 23 waterways by 2030.

As part of the Sagarmala project, more than 574 projects worth Rs.6 lakh crore (US$ 82 billion) have been planned for implementation between 2015 and 2035.

In Maritime India Summit 2021, the Ministry of Ports, Shipping and Waterways identified a total of 400 projects worth Rs.2.25 lakh crore (US$ 31 billion) investment potential.

India's cargo traffic handled by ports is expected to reach 1,695 million metric tonnes by 2021-22 according to a report by the National Transport Development Policy Committee.

Operational Highlights

The shipping segment for FY 2020-21 recorded revenues of Rs.Nil, as against Rs.108.38 crores recorded in FY 2018-19, on account of the Company not having any tonnage in the year under review. There has been a sale/auction of all the ships in standalone business, the proceeds of which has been used for reducing Debts and liabilities.

A lender had arrested the Vessel M. T. Prem Mala (Built 2000) in persuasion to Event of Default recognized under Debenture Trust Deed Dated 26th March 2018. The Hon'ble Bombay High Court vide its order dated 26th May 2020, confirmed the sale of the Vessel under the auction process to the highest bidder at a consideration of Rs.36.40 Crores. The said vessel has been handed over by the court appointed Sheriff to the Buyers on 13 July 2020. The sale proceeds of Rs.36.40 crores as deposited by the buyer in court has been classified as 'Sale of Prem Mala – Court Deposit' under 'Other Current Assets' which stands at Rs.29.97 crores as on March 31, 2021 after appropriation of maritime expenses of Rs.6.43 crores reimbursed by Sheriff as per his report to the court.

The Company shall endeavour to carry on the Shipping business and may incur capex light expansion at an opportune time subject to the market conditions and commercial viability.

Oil & Gas

Global oil & gas industry

Oil and Gas industry is the largest industry in the world in terms of value. It is a global powerhouse and provides employment to a huge number of people. The oil and gas industry is used to the highs and lows of economic cycles. The downturn caused by COVID-19, however, is unlike any other. With the survival of many companies at risk, coupled with a longer-term decline in petroleum demand, the next decade could look very different for the oil and gas market.

After slumping to an eight-year low in 2020, global oil demand is expected to rebound by 5.5 million b/d in 2021, according to S&P Global Platts Analytics. Despite fears over growing COVID-19 infections in parts of Asia and the risk of new variants thwarting progress on vaccinations, the recovery could bring oil demand close to pre-COVID-19 levels by year-end. Even when the virus is controlled, economies are expected to continue dealing with the adverse impact of deteriorated fiscal balances and the effect of muted business investment on the labor market and consumer spending in 2021.

What does this mean for the oil and gas (O&G) industry? Global oil demand fell by 25% in April, but it has rebounded sharply since then, cutting its losses to just 8%. Looking ahead, 2021 oil demand is expected to recover strongly but remain lower than it was at pre–COVID-19 levels—about 4% lower in the base case. Mass layoffs and heightened cyclicality in employment continue to challenge the industry's reputation as a reliable employer. US O&G companies laid off about 14% of permanent employees in 2020, and 70% of jobs lost during the pandemic may not come back by the end of 2021.

Although the oil and gas sector is used to the highs and lows of economic and price cycles, this downturn seems unlike any other. In fact, it's the "great compression" of the O&G industry. With the survival of many companies at risk, and the longer-term decline in petroleum demand, the next decade could look very different for the entire O&G value chain. 2021 will either be a leapfrog year or a test of endurance for many.

With uncertainties over demand, supply, investment strategies and business models, the global oil industry faces major challenges. While ensuring it is able to continue to meet growing demand, it must also address the need to curb emissions and improve sustainability.

Global oil demand will grow by 5.7 mb/d over the 2019-25 period at an average annual rate of 950 kb/d. This is a sharp reduction on the 1.5 mb/d annual pace seen in the past 10-year period. Following a difficult start in 2020 (-90 kb/d) due to the coronavirus, growth rebounds to 2.1 mb/d in 2021 and decelerates to 800 kb/d by 2025 as transport fuels demand growth stagnates.

Oil demand growth slows because demand for diesel and gasoline nears a plateau as new efficiency standards are applied to internal combustion engine vehicles and electric vehicles hit the market. Petrochemical feedstocks LPG/ethane and naphtha will drive around half of all oil products demand growth, helped by continued rising plastics demand and cheap natural gas liquids in North America.

Global Demand Growth 2011-2025 charts- Data and Statistics are available in the link below:

https://www.iea.org/data-and-statistics/charts/global-oil-demand-growth-2011-2025

Indian Oil and Gas Industry

Oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. India's economic growth is closely related to its energy demand, therefore, the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment.

The Government has adopted several policies to fulfil the increasing demand. It has allowed 100% Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products and refineries among others. Today, it attracts both domestic and foreign investment as attested by the presence of Reliance Industries Ltd (RIL) and Cairn India. According to IEA (India Energy Outlook 2021), primary energy demand is expected to nearly double to 1,123 million tonnes of oil equivalent, as the country's gross domestic product (GDP) is expected to increase to USD 8.6 trillion by 2040.

India is expected to be one of the largest contributors to non-OECD petroleum consumption growth globally. Crude Oil import rose sharply to US$ 101.4 billion in 2019-20 from US$ 70.72 billion in 2016-17. As of May 01, 2021, the sector's total installed provisional refinery capacity stood at 249.9 MMT; and IOC emerged as the largest domestic refiner, with a capacity of 69.7 MMT. As of December 01, 2020, India's oil refining capacity stood at 259.3 million metric tonnes (MMT), making it the second-largest refiner in Asia. Private companies own about 35.29% of the total refining capacity in FY20. In FY20, crude oil production in India stood at 32.2 MMT. In April 2021, the crude oil production stood at 2.5 MMT, while for FY21 it was 30.5 MMT. In FY20, crude oil import increased to 4.54 mbpd from 4.53 mbpd in FY19. Natural Gas consumption is forecast to reach 143.08 million tonnes (MT) by 2040. India's LNG import stood at 33.68 bcm during FY20. India's consumption of petroleum products grew 4.5% to 213.69 MMT during FY20 from 213.22 MMT in FY19. The total value of petroleum products exported from the country increased to US$ 35.8 billion in FY20 from US$ 34.9 billion in FY19. Export of petroleum products from India increased from 60.54 MMT in FY16 to 65.7 MMT in FY20. Exports of petroleum products from India reached 55.9 MMT in FY21 from 60.5 MMT in FY16. As of December 31, 2020, Gas Authority of India Ltd. (GAIL) had the largest share (69.39% or 11,884 kms) of the country's natural gas pipeline network (17,126 kms).

According to the data released by Department for Promotion of Industry and Internal Trade Policy (DPIIT), the petroleum and natural gas sector attracted FDI worth US$ 7.91 billion between April 2000 and December 2020.

Following are some of the major investments and developments in the oil and gas sector:

- According to government data, India's natural gas production increased by 22.7% YoY in April 2021, as Reliance Industries Ltd. and its partner, BP plc, increased production in the KG-D6 block on the east coast.
- In February 2021, Petronet LNG announced its plans to increase in its Dahej terminal's capacity by 29% to 22.5 million tonnes per annum (mtpa) to meet the rising demand.
- Key Indian oil retailers such as Bharat Petroleum and Hindustan Petroleum have announced plans to increase the capacity of their outlets in rural areas in 2021.
- In February 2021, ONGC announced that by May 2021, it would increase natural gas output from a KG basin block to 2.5-3 million standard cubic meters per day.
- In February 2021, the government launched key oil & gas projects in Assam, such as INDMAX Unit at Indian Oil's Bongaigaon Refinery, Oil India Limited's secondary tank farm at Madhuban, Dibrugarh and a 'Gas Compressor Station' at Hebeda Village, Makum and Tinsukia remotely from Dhemaji in Assam.
- In February 2021, the government launched key oil and gas projects such as the Ramanathapuram – Thoothukudi natural gas pipeline and Gasoline Desulphurisation Unit at Chennai Petroleum Corporation Limited, Manali.
- In February 2021, IndianOil Corp. Ltd. signed a 'statement of intent' with Greenstat Hydrogen India Pvt. Ltd. to establish a centre of excellence for Hydrogen value chain and other related technologies such as hydrogen storage, fuel cells, etc.
- Foreign investors will have opportunities to invest in projects worth US$ 300 billion in India as the country looks to cut reliance on oil import by 10% by 2022

according to Mr. Dharmendra Pradhan, Minister of Petroleum and Natural Gas, Government of India.

Some of the major initiatives taken by the Government of India to promote oil and gas sector are:

- In February 2021, Prime Minister Mr. Narendra Modi announced that the Government of India plans to invest ~Rs. 7.5 trillion (US$ 102.49 billion) on oil and gas infrastructure in the next five years.
- In Union Budget 2021, the government allocated funds worth Rs. 12,480 crore (US$ 1.71 billion) for direct benefit transfer of LPG (liquefied petroleum gas) and Rs. 1,078 crore (US$ 147.31 million) to feedstock subsidy to BCPL/Assam Gas Cracker Complex.
- In Union Budget 2021, the Finance Minister announced to provide 1 crore more LPG connections under Pradhan Mantri Ujjwala Yojana (PMUY) scheme.
- The Ministry of Petroleum and Natural Gas released a draft LNG policy that aims to increase the country's LNG re-gasification capacity from 42.5 million tonnes per annum (mtpa) to 70 mtpa by 2030 and 100 mtpa by 2040.
- The Ministry of Petroleum and Natural Gas released an 'Ethanol Procurement Policy' on a long-term basis under the 'Ethanol Blended Petrol (EBP) Programme' (October 11, 2019), which covers modalities for long-term ethanol procurement, proposed mechanisms for long-term procurement contracts, pricing methodology and other topics.
- As per Union Budget 2019-20, Indian Scheme 'Kayakave Kailasa', the Ministry of Petroleum & Natural Gas has enabled SC/ST entrepreneurs in providing bulk LPG transportation. State run energy firms, Bharat Petroleum, Hindustan Petroleum and Indian Oil Corporation, plan to spend US$ 20 billion on refinery expansions to add units by 2022.
- The Government is planning to set up around 5,000 compressed biogas (CBG) plants by 2023.
- The Government is planning to invest US$ 2.86 billion in the upstream oil and gas production to double natural gas production to 60 bcm and drill more than 120 exploration wells by 2022.

Energy demand of India is anticipated to grow faster than energy demand of all major economies on the back of continuous robust economic growth. India's energy demand is expected to double to 1,516 Mtoe by 2035 from 753.7 Mtoe in 2017. Moreover, the country's share in global primary energy consumption is projected to increase by two-fold by 2035. Crude oil consumption is expected to grow at a CAGR of 3.60% to 500 million tonnes by 2040 from 221.56 million tonnes in 2017. India's oil demand is projected to rise at the fastest pace in the world to reach 10 million barrels per day by 2030, from 5.05 million barrel per day in 2020. Natural Gas consumption is forecast to increase at a CAGR of 4.18% to 143.08 million tonnes by 2040 from 58.10 million tonnes in 2018. Diesel demand in India is expected to double to 163 million tonnes (MT) by 2029-30. India is set to expand India's natural gas grid to 34,500 kms by adding another 17,000 km gas pipeline. The regasification capacity of the existing 42 MMT per annum will be expanded to 61 MMT per year by the year 2022.

Operational Highlights

The Company owns two onshore oil blocks in Gujarat's Cambay basin. Production Sharing Contract (PSC) for the Block CB-ONN-2005/3 has been terminated by Ministry of Petroleum and Natural Gas vide their letter dated 24th October 2019 since there was no oil discovery in the said Block. However, PSC for the producing Block CB-ONN-2005/9 (CB9) remains in force. The CB9 block have high-quality crude reserves and are in close proximity to refineries. Minutes of Meeting (MoM) of the 5th Expert Appraisal Committee (EAC) for the Environmental Clearance (EC) presentation held on March 27, 2019 were issued of 3rd April 2019 recommending grant of EC for Development of PML area of the Block CB-ONN-2005/9. Work over rig was deployed at Jyoti-2 from 25th March 2019 to 7th May 2019 for cement repairs but the operations had to be terminated because of technical problems. The well Jyoti-1 was also closed because of non-grant of (EC) which has since been granted on 7th January 2020. Management Committee has approved completion of Minimum Work Program (MWP) of Exploration Phase-I which is a pre-requisite for transfer of PI. Formal communication to this effect is awaited.

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 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 stand 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.

Monetization of the Block CB-ONN-2005/9:

During the previous financial year, MPL made efforts to Farm-out (in full or in part) its Participating Interest (PI) in the Block CB-ONN-2005/9. To this effect, MPL signed a Sale Purchase Agreement (SPA) with an identified buyer on 26th December 2019. Further, Deed of Assignment for transfer of 100% PI was signed on 14th January 2020. Application for transfer of PI along with requisite documents has been submitted to Director General of Hydrocarbon (DGH) for approval and the same was being reviewed by them. We had signed an addendum to extend the completion date to 31st August 2020 and further extending the long stop date to October 31, 2020. In terms of the update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had invited Resolution Plans from the eligible

bidders. IRP had received a positive response and after the initial phase, there are a few Prospective Resolution Applicants in the fray. As part of the process, these Resolution Applicants have been carrying out the necessary due diligence. The Resolution Applicants include certain Private Entities in the sector, a Public Sector Undertaking and others. At the request of the Resolution Applicants and in view of the other legal processes involved, the timeline for submission of Resolution plans has been extended and is expected to take place by June 2021. The sale proceeds will enable the company to pay its financial creditors and trade creditors.

EPC contract/Sagar Samrat:

Mercator Oil & Gas Limited (MOGL) and Mercator Offshore (P) Pte. Limited (collectively 'Mercator Oil & Gas') were engaged in the execution of an EPC contract involving conversion of Sagar Samrat, a mobile offshore drilling unit into a mobile offshore production unit for ONGC. The said contract was awarded to a consortium comprising of Mercator Oil & Gas and Gulf Piping Co. WLL (GPC), a shipyard based out of Abu Dhabi. On September 252018, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project giving the consortium 14 days cure period as per the contract. At the same time ONGC proceeded to encash the bank guarantees. MOGL had then challenged the invocation of Bank Guarantees and was granted a stay by Hon'ble Single Member Bench (SMB) of the Bombay High Court. Appeal in the Arbitration Petition before division bench of Hon'ble Bombay High Court in MOGL (a 100% subsidiary of the Company) was dismissed vide order in July-2019; By virtue of the above order, ONGC invoked bank guarantees worth Rs.142 crores. This had increased the debt of MOGL by an equivalent amount. Parallely, on 15 December 2018, MOGL initiated arbitration proceedings against ONGC, raising claims of US$ 173 million against ONGC on account of the following:

i. Certified work but not invoiced
ii. Works completed and invoiced but unpaid
iii. Unpaid and/or unapproved variations
iv. Wrongful deduction of liquidated damages
v. New Taxes
vi. Wrongful invocation of the Bank Guarantees
vii. Damages at large
viii. Wrongful termination

MOGL in its pleadings had alleged fraud and collusion by and between ONGC & GPC for illegally terminating the contract and subsequently awarding it to GPC which was ultra vires (a) the Contract signed between ONGC & the Consortium, (b) Contract signed between the Consortium parties inter se and (c) Guidelines laid down by the Central Vigilance Commission (CVC) for PSUs mandating policies for awarding contracts. The arbitration is likely to complete in a few months and the tribunal is expected to issue its award thereafter.

Mercator has also initiated arbitration proceedings against consortium partner GPC and have sought to encash their counter Bank Guarantees worth US$ 9.2 mn issued in favour of MOGL. Legal advice states that our case is strong in both the matter and expect a favorable outcome.

A financial creditor has incurred legal costs aggregating Rs.5.69 crores in the year ended March 31, 2021 on behalf of MOGL in relation to the ongoing arbitration in the SSCP matter. The same has been expenses out in MOGL towards Legal Costs in the FY 2020-21. MOGL is also in advanced stages of discussions with overseas funds to fund litigation for Sagar Samrat Arbitration matter and encashment of the counter bank guarantees given by GPC for any shortfall of amount sanctioned by the financial creditor and/or further expenses that may be needed for execution of the award.

Coal

Global coal industry

Global coal output is estimated to have declined by 2% in 2020 due to COVID-19-related lockdowns and restrictions, with significant reductions observed in the US (23.6%), Indonesia (13.1%), Russia (8.1%) and Australia (5.5%). These were only partially offset by increases in China (4%) and India (0.7%). Additionally, during the last year, there was an estimated 3.5% reduction in the global thermal coal demand, while the world's metallurgical coal demand fell by 5.9%. However, global coal production is set to recover by 3.5% to 8% in 2021, according to Global Data, a leading data and analytics company.

With the US coal industry already challenged by high production costs and low natural gas prices, the country's output was severely impacted by the COVID-19 pandemic, with key companies halting their operations as part of preventive measures. Additionally, a decline in domestic demand as well as export market demand affected output from Indonesia and Russia.

Global coal production is expected to grow at a compound annual growth rate (CAGR) of 2.3% between 2021 and 2025 to reach 8.8bnt in 2025. While thermal coal production is expected to have a relatively marginal 2% CAGR to reach 7,549.6Mt, metallurgical coal is forecast to register stronger growth of 4.2% per year, to reach 1,216.9Mt in 2025.

In the demand side, the recovery of the world economy provides positive outlook for miners in anticipating the year ahead. China economy is having the fastest growth among the G-20 countries. The world second biggest economy is performing well with its purchase manager index records the highest level in years. On the other hand, the US and European countries are still struggling to cope with the spread of the corona virus including the possibility of the new strain as emerged in the United Kingdom. The uncertainty over the Brexit deal with the European Union is still looming. Meanwhile the upcoming new leader of the United States although is highly welcomed but it projected not too give significant breakthrough in 2021.

Coal demand is expected to grow again in 2021 thanks to the recovery of the Chinese economy. Indonesian coal miners expect to cultivate to the recently signed memorandum of understanding (MoU) signed by APBI-ICMA and its counterpart China Coal Transportation & Distribution Association (CCTDA) witnessed by representatives from the two countries. In the MoU which valid for three years, the two parties agreed to enhance their cooperation to boost coal export from Indonesia which is targeted to reach 200 million tonne.

As the World's biggest coal importer, China's role remains significant in affecting the commodity price. The country represents more than quarter of the total global seaborne thermal coal market. The recent coal import restriction imposed by China on Australian coal raises concern over uncertainty in global coal demand. Such issue could provide an opportunity for some of Indonesian coal exporters to feed the growing demand in China ahead of the Chinese new year. The increase of the coal price is partly due to the rising of demand from China as its domestic coal prices continue to rise.

In terms of external economic factor, miners expect to enter into recovery mode in the 2021. Given the recovery of the world economy in particular with the arrival of vaccines, such optimism is highly understandble. However uncertainty factor remains including geopolitical tension. In the national level, investment friendly policy and regulation would be the most decisive factors that could shape the future of the national mineral and coal industry. So long 2020, the year that perhaps no one won't miss. And let us welcome 2021 with huge optimism for our better future.

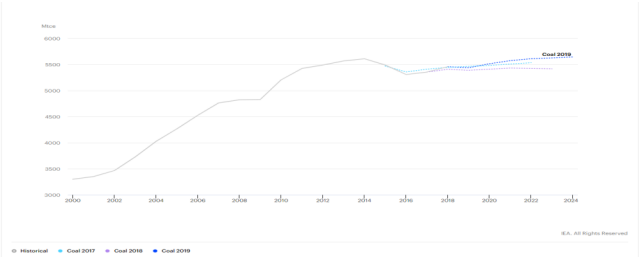
Indonesia's coal production industry

Coal is the largest export of Indonesia, and the pandemic has severely impacted Indonesia's coal industry. The country, which in 2019 was the world's biggest thermal coal exporter, has seen demand drop in key export markets including China and India. Domestic consumption is also at risk, as electricity demand from coal-fired power plants drops, exacerbating existing concerns around overcapacity.

Indonesia exported 456.36mn t of all types of coal in 2019. This was 6.4pc higher than in 2018 and was a likely all-time high, with the increase driven by firm demand from China and India, as well as growing demand from Southeast Asia. Thermal coal accounted for 428.83mn t of last year's exports, up by 35.2mn t from 2018. But Indonesian exports could contract by around 15mn t this year amid a slowdown in demand in the Asia-Pacific region, coal production remained on track to reach its 550mn t target for 2020, with output during January-March 2020 at 137.31mn t, or around 25pc of the target.

A number of Indonesian coal mining firms are considering cutting production amid expectations that Asia-Pacific demand will be heavily affected by the coronavirus pandemic. Reduced economic activity because of the pandemic could result in a global oversupply of coal of around 30mn t this year, with Indonesian exports possibly falling by around 15mn t compared with 2019 as a result of weaker demand. While there has been a reduction in coal demand over the past two months, coal production has been unaffected as most coal mining companies sell their coal under offtake contracts. Despite the weaker demand outlook, Indonesian mining companies may not look to cut output immediately, especially given the recent slump in crude prices that has reduced their coal production costs significantly. But this could potentially add to a potential supply glut further ahead, if demand falls sharply in the coming months.

Global coal demand by forecast, 2000-2024



Operational Highlights

Coal process have fluctuated due to Covid-19 pandemic. However, the operations of coal business at Indonesia are running normally. The business is trying its best to reduce costs. During FY 2019-20, the company showed a reasonable performance against all odds on all parameters since start of operations in 2012.

Audited/Unaudited Financial Statements of all Indonesian subsidiaries for the quarter and year ended March 31, 2021 have not been provided to the Parent Company and hence their financial statements for the 9 months period ended December 31, 2020 have only been considered for the purpose of preparation of Consolidated Financial Statements for the quarter and year ended March 31, 2021.

Total production of coal for the 9 months period ended December 31, 2020 in the year 2020-21 stands at 1,688,625 MT against 2,133,355 MT of PY. The company has made dispatches of 5,766,425 MT in the 9 months period ended December 31, 2020 in the year 2020-21 against 6,951,765 MT in PY through its coal handling infrastructure including 3rd party dispatches. The operations of coal business are running at the usual operational levels. The business is trying its best to reduce costs. During period of COVID19, coal prices have fluctuated and has affected EBITDA margin of KPB. The Company has been delivering regular production. Profitability will have an impact due to fluctuations in prices due to pandemic situation.

Legal Issues associated with coal business and its update

A. Disruption of Business

In September 2017, the group had changed its directors and senior management, which has led to certain disruption of operation of the business for

approximately 5 months. Following the change of the subsidiaries directors and senior management, certain proceedings have been filed by new management of the subsidiaries, ultimate parent company and shareholder of the said subsidiaries in Singapore and Indonesia against some of the former directors of the said subsidiaries, who have in turn initiated various proceedings against the company, shareholders of the Group and ultimate parent company. The subsidiaries have resumed its operation on 15 January 2018.

B. Legal matter for ownership dispute

Minority shareholder of PT Karya Putra Borneo (Step Down Subsidiary at Indonesia) has filed a frivolous claim as shareholder of said company by allegedly accessing Legal Entity Administration System (LEAS) of Ministry of Law and Human Rights (MoLHR) and filed Deed of Charge of Board of Directors, Board of Commissioner and Shareholders (Akta) dated 5th March, 2019 which was on execution of the Circular Resolution based on misinterpretation of existing decision of Supreme Court No 1332K/Pid/2017 dated 11th January 2018. Subsequent to two joint hearings at MoLHR between all parties, one of the shareholder of PT Karya Putra Borneo has filed court case with the State Administrative Court (PTUN).

As per information available until date of reporting, matter is sub-judice and under review cum discussion at court. Management of the Company is anticipating positive outcome as per their judgment and other compliance under applicable Mining Law in Indonesia. The Company is taking all legal steps to protect its rights and interests.

Financial Highlights

During the year under review, the income from operations on a consolidated basis was Rs.373.78 crores against Rs.638.61 crores in the previous year. The consequential loss in revenue were on account of (i) Audited/Unaudited Financial Statements of all Indonesian subsidiaries for the quarter and year ended March 31, 2021 not having been provided to the Parent Company and hence their financial statements for the 9 months period ended December 31, 2020 have only been considered for the purpose of preparation of Consolidated Financial Statements for the year ended March 31, 2021 (ii) sale of entire fleet of the ships during financial year 2019-20 & 2020-21 and auction of 2 out of 4 dredgers during the financial year 2020-21 (iii) remaining 2 dredgers remaining idle and in arrested condition and (iii) sharp decline in shipping and dredging income during the year affected the revenue.

The table below shows financial highlights of the Company.

FINANCIAL HIGHLIGHTS:

₹ in Crores

Particulars	Consolidated		Standalone	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Income from operations	373.78	638.61	6.85	132.16
Total Income	**412.59**	**653.99**	**40.50**	**151.17**
Operating Profit	52.78	(301.08)	18.12	(237.63)
Interest	(290.79)	(260.75)	(210.12)	(220.13)
Depreciation	(39.45)	(141.42)	(0.12)	(41.05)
Impairment	(26.63)	(41.04)	(11.64)	(41.04)
Exceptional Items	-	(154.19)	-	(485.47)
Profit/(Loss) before Tax	**(304.09)**	**(898.48)**	**(203.77)**	**(1025.32)**
Taxes				
-Current Year	(6.23)	(11.18)	-	(0.45)
-Excess/(Short) provision of earlier years	(9.35)	-	(9.35)	-
-Deferred Tax	-	0.13	-	-
Net Profit/(Loss) After Tax	**(319.67)**	**(909.53)**	**(213.12)**	**(1025.77)**
Minority Interest	12.50	13.63	-	-
Other Comprehensive Income Adjustment	-	(0.81)	-	0.63

Risk & Concerns

Risk	Definition and Potential Impact	Company's plan
Economic Risk	Our operations are spread across many countries in the world. Any slowdown in the economy in general & due to Covid-19 pandemic as well as local headwinds might have adverse impact on Company's operations.	The Company is periodically monitors various developments in areas of its presence to identify the risk, if any, arising from such developments. The Company has implemented SOPs for taking care of safety and health of employees and visitors in its offices with a view to contain the spread of the pandemic.

Risk	Definition and Potential Impact	Company's plan
Legal Risk	Involvement in legal cases may lead to slowdown of operations and loss of consumer confidence in Company's operations. Mercator's involvement in two legal cases might have adverse impact on its functioning. A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Pursuant to the order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who had been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC).	The Company has been stringently fighting against the lawsuit and is optimistic of positive results. At business levels, the Company is sincerely fighting its cases to recover its dues. The management / RP is of the view that they are making best efforts to achieve favourable order in ongoing litigations in order to protect the value of its assets and is making efforts to revive operations. As per rules and regulations of the CIRP stipulated under the Code, RP has invited Resolution Plans from the eligible Prospective Resolution Applicants (PRA).
Operating Risk	Inability to manage customer relationships could impact revenues	The Company has been successful in retaining customer relationships despite stringent business environment. It enjoys enduring relationships with major global and Indian companies.
Forex Risk	Fluctuation of currency prices against local currency may have adverse impact of Company's profitability	Adoption of natural hedge against forex fluctuation enables the Company to mitigate any adverse impact of currency rate fluctuation.
Environmental Risk	With rising awareness of effects of Climate change, unable to adhere to environmental norms may lead to negative impact on the Company. This may impact the long term demand for coal leading to lowering of coal prices	Given the nature of business of Mercator, environmental protection measures are taken concurrently with coal operations for maintaining acceptable levels of environmental pollution. The company has a strict HSE policy in place to ensure business excellence as well as customer satisfaction.

Quality, Safety and Environment

The Company is committed to the policy of 'Zero Accidents and Zero Spills'. It believes that maintaining strict quality standards ensures full safety of all stakeholders and adherence to environmental norms is a critical component for business excellence and client satisfaction. The Company believes in ensuring the health, safety and security of its team, as well as those associated with it. All equipment and assets are regularly monitored and serviced to guard against any mishaps. The Company has put in place standard operating procedures in its premises for the employees and visitors to be followed in order to contain the spread of covid-19 pandemic during the first wave and second wave and continues to follow the same strictly. All employees go through a thorough training programme to equip them with full awareness and understanding of all quality, safety and environmental norms. The Company practice the 'Stop Work' culture in case of any unsafe activity. It flexible Health, Safety, Security & Environment (HSSE) culture adapts to the changing external demands and ensures 100% compliance to all relevant national and international rules and regulations. We continue to remain committed towards this goal and are hopeful of reporting such victories in future as well.

Segment wise Performance

The Company is operating in single primary business segment i.e. Water Transport. Accordingly, no segment reporting as per Accounting Standard - 17 has been reported.

Internal control system and their adequacy

To ensure adherence to and adequacy of all internal control systems, the Company utilise the services of internal auditors. They evaluate the efficacy and sustainability of our internal control systems and provide suggestions or improvements. The Audit Committee constituted by the Board of Directors reviews their findings consistently.

Human resource policy

The Company believes that the team is the soul of our organisation and hence, take every measure to empower and motivate them. The Company remains focused on strengthening our human resources policies and internal processes where employees seek continual improvement, greater accountability and responsibility.

As on March 31, 2021, there were 2 permanent employees and 0 contract employees with the Company. Globally, the data relating to Mercator group permanent employees and contract employees as on March 31, 2021 could not be collated on account of the same not having been provided to the parent company by the liquidators of the material subsidiary at Singapore which controls the step down Indonesian subsidiaries.

Details of significant changes in key financial ratios on standalone basis:

Ratios	2019-20	2020-21	Reasons/Explanations
Debtors Turnover	2.87:1	0.16:1	On account of Net Sales declining by 95% Y-o-Y
Inventory Turnover	NA	NA	There is no inventory
Interest Coverage Ratio	0.03:1	-3.65:1	On account of (negative) EBIT improving by 101% Y-o-Y
Current Ratio	0.23:1	0.20:1	On account of Finance Costs during FY 2020-21 not having been paid
Debt Equity Ratio	-1.56:1	-1.41:1	On account of increase in Loss after Tax for the year
Operating Profit Margin (%)	-157%	45%	On account of operating expenses having reduced on a Y-o_Y basis
Net Profit Margin (%)	-679%	-526%	On account of Loss after Tax during the year
Return on net worth (%)	NA	NA	Net Worth is fully eroded

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include demand-supply conditions, changes in Government and international regulations, tax regimes, economic developments within and outside India and other factors such as litigation and labour relations.

Annexure II

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Disclosure	
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	**Name** Mr. H.K. Mittal Mr. M.M. Agarwal* Mr. Anil Khanna* Mr. Chetan Desai* Ms. Ameeta Trehan* Mr. Jagmohan Talan* Ms. Ritu Vats* Mr. Sukhdarshan Singh Bedi*	**Ratio** **NA**
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year.	• No remuneration is paid to Independent Directors and Non-Executive Directors. • During the FY 2020-21, there was no increase in remuneration of Directors, Chief Financial Officer and Chief Executive Officer of the Company.	
3.	The percentage increase in the median remuneration of employees in the financial year.	0%	
4.	The number of permanent employees on the rolls of the Company.	2 (two)	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not applicable	
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes	

*Note:
Mr. M.M.Agarwal upto September 29, 2020
Mr. Anil Khanna upto October 01, 2020
Mr. Chetan Desai upto September 25, 2020
Ms. Ameeta Trehan upto September 01, 2020
Mr. Jagmohan Talan w.e.f. September 23, 2020
Ms. Ritu Vats w.e.f. September 23, 2020
Mr. Sukhdarshan Singh Bedi w.e.f. September 23, 2020

Annexure IIA

Details pertaining to remuneration as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Age	Qualification	Experience in years	Date of joining	Designation	Date of Leaving	Total Remuneration (` in lakhs)	Last employment held
Mr. H.K Mittal	72	M. Tech	46	23-May-88	Executive Chairman	-	NIL	Natraj Organics Limited
Mr. Shalabh Mittal*	42	PGDBA - Business Administra tion	20	27-May-16	CEO	-	NIL	Mercator Lines Singapore
Mr. Gurpreet Malhi	46	Master - FG	26	15-Oct-18	Chief Operating Officer	31-12-2020	109.95	Alba Asia Pvt.Ltd.
Mr. Rajendra Kothari	58	FCA, ACS	32	1-Feb-18	Chief Financial Officer	-	62.96	Bombay Gas Co. Ltd.

*Mr. Shalabh Mittal has resigned w.e.f. August 12, 2021

Note:

1. Mr. Shalabh Mittal, Chief Executive Officer of the Company is son of Mr. H. K. Mittal, Whole Time Director of the Company.
2. None of the other employees is related to any Director of the Company
3. Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

Dated: August 12, 2021

For and on behalf of the Board
For Mercator Limited

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

Powers of the board are suspended from the Insolvency Commencement Date

Taken on record by

Girish Siriram Juneja
Resolution Professional for
Mercator Limited

Reg.: IBBI/IPA001/IP-P00999/2017-2018/11646

Annexure III

Policy for Selection and appointment of Director(s) to the Mercator Limited

Policy

The company's primary objective in relation to the composition of the Board is to have a well-balanced group with a variety of backgrounds, skills and experience. The priority in the nomination of a proposed board member is to identify their respective skills that will add value to the company and which may not exist in the present composition of board members. The appointment should also be in accordance to the Diversity policy of the company.

The Mercator Limited (ML) board is responsible for the long-term success of a company and its first responsibility is to provide direction and leadership within a framework of prudent and effective controls. The purpose of this policy is to promote practical guidelines for the selection and nomination of directors ensuring a formal and transparent process.

The Context

The starting point for ML board in the recruitment of new directors is a review of the company's strategy and business. It is important to review the context for each new appointment as strategy changes.

Size of the ML Board

The company's constitution normally sets out the size of the Board. The number of Board members depends on the size and complexity of the organization, the type of business, industry and the operating environment. The Board of Directors of the company shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors comprising non-executive directors. The company has an executive Chairman/ promoter; therefore at least half of the Board should comprise independent directors. Independent director shall mean a Non-Executive Director who satisfies the criteria defined under the Companies Act, 2013 ("the Act") and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Conflicts of Interest

When selecting directors, the ML Board would be conscious of shareholder and public perceptions and seek to avoid situations where there might be a perceived or real conflict of interest. Candidates who have conflicting interests to the company should not be short listed.

Diversity

Diversity in Board demographics provides with competitive advantage. Diversity would be factored into the equation when considering the selection and nomination of a new director.

Criteria for determining qualifications and attributes of a Director:

Age:

Any person to be appointed as a Director should be more than 21 years of age and less than 68 years.

Education:

Generally, it is desirable that a candidate should hold a graduate degree from a respected college or university. It is further desirable for the candidate to have earned a masters or doctoral degree.

Qualifications:

Any person to be appointed as a Director on the Board of Director of the Company, including but not limited to, shall possess appropriate skills, experience and knowledge in one or more fields of sciences, actuarial sciences, banking, finance, economics, law, management, sales, marketing, administration, research, corporate governance or technical operations.

Experience:

Any person to be appointed as a Director on the Board of ML shall possess the relevant experience and shall be able to provide policy directions to the Company, including directions on good corporate governance. Prior experience of being a Chief Executive Officer, Managing Director or a Whole-time director of any company shall be given utmost importance while considering appointment. A candidate should have sufficient applicable experience to fully understand the legal and financial aspects (should be able to read and understand a financial statement) of an independent director. International experience (such as living and working outside India) in many cases is considered as a significant positive characteristic in a Board candidate's profile. A Director must also possess experience at policymaking and operational levels in large organizations.

Individual Characteristics:

The candidate should have the personal qualities to be able to make a substantial active contribution to board deliberations. These qualities include intelligence, selfassuredness, a high ethical standard, inter-personal skills, independence, courage, a willingness to ask the difficult question, good communication skills and commitment. A Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interests and concerns of all the company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

Availability:

The candidate should have sufficient time available to discharge the duties and responsibilities of board membership, including time to gain knowledge of the industry, to prepare for board meetings, and to participate in committees.

Other requirements:

The Candidate is expected to have:

- Practical wisdom and good judgment.
- An understanding of key technologies.
- Decision making – exploring options and choosing those that have the greatest benefit to the organization and its performance.
- Interpersonal sensitivity – a willingness to keep an open mind and recognize other perspectives.
- Ability to mentor other directors.
- Innovator - a willingness to challenge management and challenge assumptions, stimulate board discussion with new, alternative insights and ideas.
- Willingness to deal with tough situations.
- Vision, imagination and foresight.

Responsibilities/Functions:

Upon appointment, a Director is expected to perform his role and duties under the act and the Listing Regulations.

Tenure:

An independent director shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for reappointment for another term of up to five consecutive years. He shall be eligible for appointment after the expiration of three years of ceasing to become an independent director and shall not be appointed in or be associated with the company in any other capacity, either directly or indirectly, during the said period of three years.

Any person to be appointed as Director shall not possess any of the disqualifications as mentioned below:

a. He/she shall not be of unsound mind nor stand so declared by a competent court.

b. He/she shall not be an undercharged insolvent.

c. He/she has not applied to be adjudicated as an insolvent and his/her application is pending.

d. He/she has not been convicted of an offense, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;

e. He/she has not been issued an order by a court or Tribunal disqualifying him/her for appointment as a director and the order is in force;

f. He/she has not paid any calls in respect of any shares of the company held by him/her whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;

g. He/she has not been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years;

Resignation and Removal:

The resignation or removal of an Independent Director shall be in the same manner as is provided in Section 168 and 169 of the Act. An Independent Director who resigns or is removed from the Board of the Company would be replaced by a new Director within a period of one hundred eighty days from the date of such resignation or removal, as the case may be.

Vacation of office:

The office of a director shall become vacant in case:

a. he/she incurs any of the disqualifications as specified above;

b. he/she absents himself/herself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;

c. he/she acts in contravention of the provisions of section 184 of the act relating to entering into contracts or arrangements in which he/she is directly or indirectly interested;

d. he/she fails to disclose his/her interest in any contract or arrangement in which he/she is directly or indirectly interested, in contravention of the provisions of section 184;

e. he/she becomes disqualified by an order of a court or the Tribunal;

f. he/she has been issued an appeal or convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:

g. he/she is removed in pursuance of the provisions of this Act;

h. he/she, having been appointed a director by virtue of his/her holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.

Letter of appointment

Upon appointment, a Director would be issued letter of appointment in format as specified in our website.

Process of Performance evaluation of directors:

Need for Evaluation Process

The recent failures of corporate throughout the world have led the investors, regulators and the general public at large to question the effective functioning of the board of any company. The investors have started questioning the collective decision making competency in terms of quality, skills and even the individual capabilities and capacities of individual directors who hold the position in any company.

There is also emphasis on the director's responsibilities at the same time and the directors themselves should undertake a formal and regular objective based evaluation of their own performance in terms of strategies, monitoring control, statutory compliance and corporate governance and as well on the obligation of the whole board to reevaluate the mix of skill and experience.

Evaluation Mechanism

The assessment carried on the basis of following criteria

- Valuable Input Provided;
- Dedication and Commitment;
- Industry Knowledge;
- Overall contribution; and
- Compliances under Companies Act;
- Independence;
- Independent views and judgement;
- Integrity;
- Ability to function as Team

Annexure IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
MERCATOR LIMITED
83-87, 8th Floor, Mittal Tower,
B – Wing, Nariman Point,
Mumbai – 400021.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MERCATOR LIMITED** (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

On account of ongoing pandemic of COVID - 19 and consequent lockdown as directed by the Central and State Government(s), the process of audit has been modified. Documents/ records / returns /minutes relating to the Financial Year were made available to us in electronic mode and were verified based on the representations received from the Company for its accuracy and authenticity. Based on our verification of books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on March 31, 2021 (**"period under review"**), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the period under review, according to the applicable provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (to the extent applicable);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations");

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the period under review);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the period under review);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period under review);

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the period under review);

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the period under review).

(vi) **We further report that** as the Company is engaged into shipping, dredging and coal mining, specific industry laws as applicable to the Company have reasonably been complied with. We further report that we are not in a better position to comment on the compliances of the same as it is being subjected to review by the Company or other designated professionals.

The following Acts / Guidelines specifically applicable to the Company:

(a) The Merchant Shipping Act, 1958 and Rules/ Notifications/ Orders made there under;

(b) Inland Vessels Act, 1917 (Subs by Act 35 of 1977, Sec 4 for Inland Steam-Vessels);

(c) The Seamen's Provident Fund Act, 1966;

(d) International Safety Management Code (ISM);

(e) Applicable Laws and Regulations of the country wherever vessel calls;

(f) Other applicable Notifications/Orders issued from time to time by the Indian Maritime Administration concerning the Business and Affairs of the Company; and

(g) The Insolvency and Bankruptcy Code, 2016 along with its corresponding Regulations and Rules framed thereunder.

We have not examined the following:

- With other laws applicable including labour, industrial, environmental and other industry specific laws (as informed by the management of the Company which are specifically applicable to the Company based on its industry/sector) since the compliance and monitoring of the said laws are to be ensured by the management of the Company;
- With the applicable financial laws like direct tax and indirect tax laws and maintenance of financial records and books of accounts, has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

2. We have also examined compliance with the applicable clauses of the following:

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

   (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have relied on the representation made by the Company and its officers for the systems and mechanisms formed by the Company for compliances under applicable Acts, Rules, Laws and Regulations to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except in respect of matters specified in **Annexure - A** attached to this report.

We further report that, some of the records were not made available to us and we are unable to express the opinion whether the Company has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder;

We further report that the Board of Directors of the Company is **not** duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors or Key Managerial Personnel ("KMP") that took place during the period under review were carried out in compliance with the provisions of the Act.

There were instances where adequate notice was not given to all the directors to schedule the Board meetings, agenda and detailed notes on agenda were not sent at least seven days in advance and we are unable to comment on the existence of adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of all Directors at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review, an application was made by ICICI Bank Limited, Financial Creditor of the Company, wherein the Hon'ble National Company Law Tribunal, Mumbai Bench, ("Hon'ble NCLT"), vide its Order dated February 08, 2021 ("Order") in Company Petition No. (IB) 4404/MB/2019 ("Insolvency Commencement Order") in the matter of ICICI Bank Ltd V. Mercator Ltd & Anr, had initiated Corporate Insolvency Resolution Process ("CIRP") against Mercator Limited, Corporate Debtor ("the Company") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Pursuant to the Order, the powers of the Board of Directors stand suspended and were vested in Mr. Girish Siriram Juneja, who has been appointed as Interim Resolution Professional (IRP) by the Hon'ble NCLT and later confirmed as the Resolution Professional (RP) by the Committee of Creditors (CoC).

This report is to be read with our letter of even date, which is annexed as Annexure - B and forms an integral part of this report.

For **SHALINDER KAUR & ASSOCIATES**
COMPANY SECRETARIES

SHALINDER KAUR SADDAL
Proprietor
ACS No.: A38893, CP No.: 24104
UDIN: A038893C000768457

Place: Mumbai
Date: August 11, 2021

Annexure-A:

PART A: THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER:

S.N.	Particulars	Remarks
1	Pursuant to **Section 92(1) of the Companies Act, 2013 and Rule 11(1) of the Companies (Management and Administration) Rules, 2014** Form MGT - 7 along with Form MGT-8 shall be filed within 60 days from the date of Annual General Meeting.	During the period under review, the Company has not complied with the said provision. The Interim Resolution Professional (IRP) appointed by the Hon'ble NCLT is taking the required steps to rectify the same.
2	Pursuant to **Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014** the scrutiniser shall be willing to be appointed as the scrutinizer for the Annual General Meeting. Thus, the Company shall take a Consent Letter from the Scrutinizer to act as scrutinizer at the AGM.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
3	Pursuant to **Sub-Section (1) of Section 118 read with Rule 25 of the Companies (Management and Administration) Rules, 2014 of the Companies Act, 2013 read with Secretarial Standard on Meetings of the Board of Directors (SS-1)** each page of minutes book shall be initialled or signed and the last page of the record of proceedings of each Board meeting shall be dated and signed, by the chairman of the said meeting or the chairman of the next succeeding meeting.	No record/support in this regard shown for our verification and because of the current pandemic situation we could not visit the office and physically verify the same. Hence, we are unable to comment on the compliance of this provision.
4	As per **Section 121(1) of the Companies Act, 2013 read with Rule 31(2) of the Companies (Management and Administration) Rules 2014** every listed public Company shall prepare a report on the Annual General Meeting in Form No. MGT-15 within thirty days of the conclusion of the Annual General Meeting.	During the period under review, the Company has not complied with the provision to file Form MGT-15 for the 36th Annual General Meeting. The Interim Resolution Professional (IRP) appointed by the Hon'ble NCLT is taking the required steps to rectify the same.
5	Pursuant to **Section 125 of the Companies Act, 2013 read with the Rule 5(8) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rule, 2016** a statement of unclaimed and unpaid dividend amounts, separately for each of the previous seven financial years should be filed by the Company in Form IEPF-2.	During the period under review, the Company has not complied with the provision to file Form IEPF-2 Statement of unpaid and unclaimed amounts of dividend of last seven financial years. The Interim Resolution Professional (IRP) appointed by the Hon'ble NCLT is taking the required steps to rectify the same.
6	As per **Section 134(1) of the Companies Act, 2013** the financials of the Company need to be signed by any two Directors and the Chief Executive Officer and Chief Financial Officer and the Company Secretary of the Company. In the absence of the Company Secretary, the financials should be signed by two Directors and the CEO and CFO of the Company.	During the period under review, the financial statement for the year ended March 31, 2021 have not been signed by the Chief Executive Officer (CEO) of the Company.
7	Pursuant to **Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and as per the Ministry of Corporate Affairs Notification dated 22nd October, 2019** every person who is been appointed as Independent Director before its appointment shall be registered in the data bank of Independent Directors.	During the period under review, Ms. Ritu Vats was appointed as the Independent Director of the Company but she was not registered in the data bank of Independent Directors at the time of her appointment.
8	The Company has failed to pay the instalment due of the debentures on the due date and failed to pay the interest due thereon for a continuous period of more than a year. Hence, all the Directors of the Company are disqualified from being appointed as Director in terms of **Section 164 (2) of the Companies Act, 2013**.	All of the Directors of the Company are disqualified as on March 31, 2021 from being appointed as a Director of the Company in terms of Section 164 (2) of the Companies Act, 2013.

S.N.	Particulars	Remarks
9	Declarations/Disclosures/Certificates obtained from Directors for various purposes under **Section 164, Section 184(1) & Section 149 of the Companies Act, 2013** for the Financial Year 2020-21.	We have received the Disclosure dated April 01, 2020 of Mr. Anil Khanna's, Independent Director. Disclosure for all other Directors of the Company was not provided to us for the Financial Year 2020-21.
10	Pursuant to **Sub-Section (3) of Section 173 of the Companies Act, 2013** the meeting of the Board shall be called by giving not less than seven days' notice in writing to every director.	During the period under review, the notice for the Board Meeting held on September 15, 2020 and November 12, 2020 was not sent 7 days in advance to the Directors.
11	Pursuant to **Section 180 of Companies Act, 2013** if the Company accepts the loans beyond the prescribed limit, it shall pass a Special Resolution & file the Special Resolution in Form MGT-14.	During the period under review, the Company has accepted loans beyond the prescribed limit and has not passed any Special Resolution and thus, no Form MGT-14 was filed in this regard.
12	As per **Sub-Section (3) of Section 196 of the Companies Act 2013** no Company shall appoint or continue the employment of any person as Managing Director, Whole-Time Director or Manager who is below the age of twenty-one years or has attained the age of seventy years. Provided that appointment of a person who has attained the age of seventy years may be made by passing a Special Resolution. However, the Company has not passed a Special Resolution for appointment of Mr. H.K Mittal, Whole-Time Director as he has crossed the age of 70 Years in 2019.	During the period under review, it was observed that Mr. H.K Mittal, Whole-Time Director of the Company had crossed the age of 70 years in 2019 & there was no Special Resolution passed for his appointment, neither any noting in Annual General Meeting Notice nor justification for appointing him was given in the explanatory statement.
13	Pursuant to **Order dated January 22, 2019 issued under Section 405 of the Companies Act, 2013** every specified Company shall file with MCA a Half Yearly MSME Return mentioning the details of all outstanding dues to Micro or small enterprises before 31st October for the Half year ended 30th September and 30th April for the period of Half Year ended 31st March.	During the period under review, the Company have not filed MSME Return for Half Year ended September 30, 2020 & the Company had filed the MSME Return for Half Year ended March 31, 2021 on May 11, 2021 which was beyond the prescribed time limit.
14	As per the **Point No. 7.1.4 of with Secretarial Standard on Meetings of the Board of Directors (SS-1)** all the pages of the minutes book shall be consecutively numbered.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
15	As per the **Point No. 7.4 of with Secretarial Standard on Meetings of the Board of Directors (SS-1)** the draft minutes of the meeting was circulated among all the directors within fifteen days of the meeting either in writing or in electronic mode as may be decided by the Board.	During the period under review, the Company has not sent the Draft Minutes within 15 Days from the Board Meeting held on November 12, 2020. For the Board Meeting held on February 12, 2021 no record/support in this regard shown for our verification.
16	As per the **Point No. 8.3 of with Secretarial Standard on Meetings of the Board of Directors (SS-1) & Point No. 18.3 of Secretarial Standards on General Meetings (SS-2)** the Minute books of Board Meetings and the Minutes books of the Committee Meetings and Minutes book of Annual General Meeting shall be maintained in the custody of the Company Secretary or any Director duly authorised by the Board.	During the period under review, there was no Company Secretary in the Company nor any director was authorised to comply with the requirement.
17	As per the **Point No. 17.5 of Secretarial Standards on General Meetings (SS-2)** each page of the proceeding of a General Meeting shall be initialled or signed and the last page of the record of proceedings of each meeting shall be dated and signed by the chairman of the same meeting or by a director authorized within the aforesaid period of thirty days.	During the period under review, the Company has not complied with the provision.

S.N.	Particulars	Remarks
18	As per the **General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020** all the resolution passed in the Annual General Meeting held via VC/OAVM shall be filed with ROC in Form MGT-14.	During the period under review, the Company has not complied with the provision.
19	As per the **General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020** dated April 8, 2020 Companies conducting their Annual General Meeting via VC/AOVM shall record the meeting and the recorded transcript shall be maintained in safe custody by the Company and the said recording shall also be uploaded on the Company's website.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
20	In the Minutes of Board Meeting held on September 15, 2020 and November 12, 2020 the Company has taken a note of the Stakeholder Relationship Committee Meetings held on several dates.	Based on our scrutiny of the minutes of meetings of Board of Directors, it was noted that Stakeholder Relationship Committee Meetings held on several dates but there was no Stakeholder Relationship Committee Meeting held during the year.
21	As per Section 12, 91, 101, 108, 124, 125, 134, 135, 136, 149, 168, 177 & 178 of the Companies Act, 2013 and applicable Rules made thereunder information/documents to be placed on the Website of the Company.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.

PART B: SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

S.N.	Particulars	Remarks
1	**Reg. 4(1)(d):** Listed entity shall provide adequate and timely information to recognised Stock Exchange(s) and investors.	Stock Exchange(s) has called upon the Company to provide certain information relating to unclaimed shares. Further, the Company had received first reminder on November 3, 2020, also physical letter was sent to Company by registered post on November 10, 2020 in relation to compliance with Regulation 39(4) read with Schedule VI. However, the Company has not replied to the same.
2	**Reg. 6:** A listed Company shall Appointment a Qualified Company Secretary as the Compliance Officer.	The Company did not have a Qualified Company Secretary throughout the year and till date; further the above default continues from the previous financial year.
3	**Reg. 13(4):** Statement on status of redressal of Investor Grievances shall be placed on a quarterly basis before the Board of Directors.	Based on our scrutiny of the minutes of meetings of Board of Directors, we did not find any such statement having been placed before the Board.
4	***Reg. 17(1):** The Board of Directors of top 2000 listed entities shall comprise of not less than 6 Directors. The Company was in the top 2000 Companies based on market capitalisation as on March 31, 2021.	The Board strength is of 4 Directors which comprises of 3 Independent Directors and 1 Whole-Time Director. The Company is yet to comply with the requirement.
5	***Reg. 17(3):** The board of directors shall periodically review compliance reports pertaining to all laws applicable to the listed entity, prepared by the listed entity as well as steps taken by the listed entity to rectify instances of non-compliances.	Based on scrutiny of the minutes of meetings of Board of Directors held during the year, the Minutes does not elaborate the details of the review of compliance reports pertaining to all laws applicable to the Company, it mentions

S.N.	Particulars	Remarks
		only a point stating 'taken record of the Statutory Compliances for the quarter'. Further, the Board Minutes does not mention about the steps taken by the Board to rectify the same. Thus, the Company has not complied with the requirement.
6	***Reg. 17(10):** Evaluation of Independent Director shall be done by the entire Board of Directors.	Based on scrutiny of the minutes of meetings of Board of Directors during the year, it is noted that the evaluation of independent directors has not been done; the aforesaid default is also not disclosed in the Directors Report for the Financial Year 2019-20.
7	***Reg. 18(1)(e):** The Company Secretary shall act as the secretary to the Audit Committee.	The Company does not have a Qualified Company Secretary.
8	***Reg. 19(3A):** Nomination and Remuneration Committee shall meet at least once in a year.	The Meeting of the Committee of the Company has not been held during the year.
9	***Reg. 20(3A):** Stakeholders Relationship Committee shall meet at least once in a year.	The Meeting of the Committee of the Company has not been held during the year.
10	***Reg. 21(3A):** Risk Management Meeting shall meet at least once in a year.	The Meeting of the Committee of the Company has not been held during the year.
11	**Reg. 23(9):** The listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year disclosures of related party transactions on a consolidated basis to the Stock Exchange(s).	The submission of the said disclosure for the half year ended September 30, 2020 was made on June 09, 2021 which was beyond the stipulated time limit.
12	**Reg. 24(1):** At least one Independent Director on the Board of Directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India or not.	The Company has not appointed its Independent Director on the Board of its Material Subsidiaries; this default was also reported in the previous financial year.
13	**Reg. 24(2):** The Audit Committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.	The Audit Committee of the Company has not reviewed the said mandatory Information of unlisted subsidiaries. The Company has not placed before the Audit Committee of the mandatory particulars of the unlisted subsidiaries of the Company.
14	**Reg. 24(3):** The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the listed entity.	On scrutiny of minutes of meeting of Board of Directors of the Company it is noted that the minutes of board meeting of unlisted subsidiaries have not been placed before the Board of Directors of the Company.
15	**Reg. 24A:** Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex with its annual report, a Secretarial Audit Report, given by a Company Secretary in Practice, in such form as may be specified.	During the period under review, the Company has not undertaken Secretarial Audit for its material unlisted subsidiaries.
16	**Reg. 24A(2):** Every listed entity shall submit a Secretarial Compliance Report in such form as specified, to Stock Exchange(s), within 60 days from end of each financial year. As per **SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019**: Relaxation was granted by SEBI due to the Covid -19 virus pandemic and the due date was extended from May 30, 2021 to June 30, 2021.	The Compliance Certificate of the Company for Year ended March 31, 2021 was given by the Practicing Company Secretary on July 2, 2021 which was beyond the stipulated time limit.

S.N.	Particulars	Remarks
17	**Reg. 25(3):** Independent Director shall meet atleast once in a year.	The meeting of the Independent Directors of the Company has not been held during the year.
18	**Reg. 25(7):** The listed entity shall familiarise the Independent Directors through various programmes about the listed entity.	The Company has not complied with this Regulation.
19	**Reg. 25(8):** Every Independent Directors shall, at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence.	We have received the Disclosure dated April 01, 2020 of Mr. Anil Khanna's, Independent Director. Disclosure for all other Directors of the Company was not provided to us for the Financial Year 2020-21.
20	**Reg. 27(2)(c):** The Quarterly Report on Corporate Governance shall be signed either by the Compliance Officer or the Chief Executive Officer of the listed entity.	The Company has a Chief Executive Officer but has not signed the quarterly reports on Corporate Governance for the F.Y. 2020-21 and the same were signed by Chief Financial Officer of the Company. Thus, the said Report has not been signed by person authorised in the said Regulation.
21	**Reg. 30:** Marvel Value International Limited, British Virgin Island, a step-down subsidiary had wound up on August 31, 2020 and the Company has not informed this material information to Stock Exchange(s).	During the period under review, the Company has not intimated material information under Reg. 30 to Stock Exchange(s) on the event of winding up of Marvel Value International Limited, British Virgin Island, a step-down subsidiary of the Company was wound up on August 31, 2020 as per the information noted in Minutes of Board Meeting held on February 12, 2021.
22	**Reg. 30 wrt Sch III Part A, Para A-12:** The Listed Entity shall disclose to Stock Exchange(s) issuance of Notices sent to shareholders or advertised in the media by the listed entity.	The Company has given notice to Shareholders for Annual General meeting through advertisement in newspaper, however the same has not been intimated/ submitted to Stock Exchange(s).
23	**Reg. 30 wrt Sch III Part A, Para A- 7A:** In case of resignation of the auditor the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the Stock Exchange(s) within 24 hours of receipt of such reasons from the auditor.	Mr. Subhash Kishan Kandrapu, Practicing Company Secretary, appointed as Secretarial Auditor of the Company resigned w.e.f. March 31st, 2021 by an email intimation; formal resignation letter has not been insisted upon or received by the Company from the said auditor. Thus, the intimation and the mandatory particulars of resignation by Secretarial Auditor of the Company have not been disclosed.
24	**Reg. 30 wrt Sch III Part A, Para A- 4(h):** Listed entity shall submit the quarterly financial results to the Stock Exchange(s) within 30 minutes of the closure of the meeting in which the same were approved.	Submission of Financial Results for the Year ended March 31, 2020, Quarter ended December 31, 2020 & Year ended March 31, 2021 and Outcome of Board Meeting held on June 23, 2021 to finalise the Financial Results for the Year ended March 31, 2021 were filed with the Stock Exchange(s) beyond the stipulated timeline of 30 Minutes from the closure of Board Meeting.
25	**Reg. 31:** Company is required to submit Shareholding Pattern on quarterly basis.	It is noted that there is a decrease in shareholding of promoters during the quarter April - June 2020, however the change

S.N.	Particulars	Remarks
		has been reflected in July-September, 2020 quarter which is due to invocation of pledge; the promoters have not provided us their Demat statement to verify and reconcile the actual date of change to ascertain the correctness of the shareholding pattern submitted.
26	**Reg. 31(1)(b):** Listed entity shall submit to the Stock Exchange(s) a statement showing shareholding pattern separately on a quarterly basis within twenty-one days from the end of each quarter.	Submission of Shareholding Pattern for Quarter ended June 30, 2020 was beyond stipulated timeline (delayed by 3 days).
27	**Reg. 33 (2)(a):** While placing the quarterly financial results before the board of directors, the Chief Executive Officer and Chief Financial Officer of the listed entity shall certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.	During the period under review, the Company has not complied with the provision.
28	**Reg. 33 (3)(h):** The listed entity shall ensure that, for the purposes of quarterly consolidated financial results at least 80% of each consolidated revenue, assets and profits respectively, shall have been subject to audit or limited review, as case may be.	The Company has not complied with the said regulation in respect of financial results for the quarter ended June 30, 2020, September 30, 2020, December 31, 2020 & March 31, 2021.
29	**Reg. 34:** The listed entity shall send the Annual Report along with the notice of the Annual General Meeting to it's the shareholders.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
30	**Reg. 36(4):** The listed entity shall submit the Annual Report in XBRL format with Stock Exchange(s).	The Company has not complied with the said Regulation.
31	**Reg. 44 read with BSE Circular no. DCS/COMP/20/2016-17 dated 18th January 2017:** The listed entity shall file voting result in XBRL mode.	The Company has not filed voting result of 36th AGM in XBRL mode inspite of reminder mail received from BSE Limited on February 09, 2021.
32	**Reg. 46:** The listed entity shall disseminate prescribed information on its website.	Web Address of the Company specified on Stock Exchange(s) is not accessible; Company has an alternate web address and the same does not include mandatory information prescribed in the said regulation; further in view of the above, we are unable to ascertain compliance with regard to updation in the content.
33	Company shall formulate certain mandatory policies	We are unable to confirm compliance with the requirement as the Company was unable to show the following policies for verification: 1) Policy on Preservation of Documents 2) Policy on materiality of events/information [Reg. 30(4)ii] 3) Risk Management Plan [Reg. 17(9)b] 4) Archival Policy [Reg. 30(8)]

*Note: In terms of Sub-Regulation (2A) and (2B) of Regulation 15 which came into effect vide SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, the provisions as specified in Regulations 17 to 21 shall not be applicable to the listed entity which is undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Further, as per the Hon'ble NCLT Order passed on February 8, 2021 the Company is under Corporate Insolvency Resolution Process. Thus, the provisions specified in Regulations 17 to 21 shall not be applicable to the Company only for the Quarter ended March 31, 2021.

PART C: SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015:

S.N.	Particulars	Remarks
1	**Reg. 3 [2(B)]:** Due notice has to be given to persons (to whom Unpublished Price Sensitive Information is shared) to maintain confidentiality of Unpublished Price Sensitive Information shared to them pursuant to legitimate purpose.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
2	**Reg. 3(4):** The Board of Directors has made the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
3	**Reg. 3(5):** The Board of Directors shall ensure that a structured digital database containing name of such persons or entities as the case may be with whom Unpublished Price Sensitive Information is shared, is maintained with adequate internal controls and checks including time stamping and audit trails to ensure non tampering.	The Structural Digital Database has not been maintained by the Company.
4	**Reg. 5(1):** An insider shall be formulate a trading plan and present it to the Compliance officer for approval and public disclosure pursuant to which trades may be carried on his behalf in accordance with such plan.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
5	**Reg. 7(1)(b):** Every person on appointment as a Director of the Company shall disclose his holding of securities of the Company within seven days of such appointment to the Company.	The Company has not been able to produce for our verification the disclosure, if any received in this regard from Mr. Jagmohan Talan, Mr. Sukhdarshan Bedi and Mrs. Ritu Vats on appointment as Directors in the Company.
6	**Reg. 7(2)(a) & 7(2)(b):** Acquisition/Disposal of securities of the Company by promoter, employee, director wherein aggregate of value of such transaction exceeds rupees ten lakh in one transaction or a series of transactions over any calendar quarter shall be disclosed within two trading days by such person to the Company and subsequently Company shall disclose such particulars of trading to the Stock Exchange(s) within two trading days of receipt of the disclosure or from becoming aware of such information.	When the pledge of shares of Promoters were invoked by lenders, the value of such shares exceeded the threshold specified in the Regulation; the intimation of such invocation (which would tantamount to disposal) requiring disclosure which were not given. The promoter has not given the disclosure as required under the Regulation 7(2)(a). However, the Company has also not given the disclosure under Regulation 7(2)(b) upon becoming aware of the said disposal.
7	**Reg. 7(3):** The connected person or class of connected persons shall made disclosures of holdings and trading in securities of the Company in such form and at such frequency as may be determined by the Company.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
8	**Reg. 8(2):** Every such code of practices and procedures for fair disclosure of Unpublished Price Sensitive information and every amendment thereto shall be promptly intimated to the Stock Exchange(s) where the securities are listed.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
9	**Reg. 9(1):** The Board of Directors shall ensure that Code of Conduct has been formulated to regulate, monitor and report trading by employees, and other connected persons (including fiduciaries).	The Company is unable to produce the Code of Conduct for our verification; we are unable to confirm compliance with the requirement.
10	**Reg. 9(3):** The Company has to identify and designate a Compliance Officer for administering the Code of Conduct and other requirements.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
11	**Reg. 9(4):** The Board of Directors shall in consultation with Compliance Officer specify designated persons to be covered by the Code of Conduct.	Board of Directors of the Company has not classified any persons as designated persons.

S.N.	Particulars	Remarks
12	**Reg. 9A(1):** The Chief Executive Officer, Managing Director or such other analogous person of a listed company, intermediary or fiduciary shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
13	**Reg. 9A(4):** The Audit Committee of the listed Company shall review the compliance with the provisions of Regulations at least once in a financial year and also review that the control system are adequate and are operating effectively.	Based on our scrutiny of the minutes of meeting of Audit Committee, it is noted that no such review of compliances or control system has taken place by the Audit Committee.
14	**Reg. 9A(5):** The Company shall formulate a Board of Directors approved written policies and procedures for inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
15	**Para 1 of Schedule B:** Compliance Officer shall report to the Chairman of the Audit Committee or to the Chairman of the Board of Directors periodically.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
16	**Para 4 of Schedule B read with NSE Circular dated 02.04.2019:** In case of declaration of financial results, the trading window closure shall commence on the last day of each quarter and the same has to be intimated to Stock Exchange(s).	The Company has not announced closure of Trading Window for quarter ended September 30, 2020 to the stock exchange(s).
17	**Para 4 of Schedule B:** Designated persons and their immediate relatives shall not trade in securities when the trading window is closed, further any violations is required to be reported to the Stock Exchange(s) promptly.	Promoters of the Company have transacted in the securities of the Company during the period when trading window was closed. Further, the Company was required to report such violations to the Stock Exchange(s).
18	**Para 6 of Schedule B:** Trades executed by insiders shall be pursuant to the pre-clearance granted by the Compliance Officer where the value of trades is above such thresholds as stipulated by the Board in the Code.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.

PART D: SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011:

S.N.	Particulars	Remarks
1	**Reg. 29(2):** Any Acquisition/Disposal of shares (change) by a person holding more than 5% shares in the Company, and such change exceeds 2% and disclosure under Regulation 29(2) of such change need to be given to the Company and the Stock Exchange(s) within 2 working days on receipt of intimation of acquisition/disposal.	Mr. Harish Mittal, Mrs. Archana Mittal and AHM Investments Private Limited, promoters of the Company held more than 5% of the shares of the Company and there is change in their shareholding during the Quarter ended June 30, 2020 and such change exceeds 2%.
2	**Reg. 31(3):** Disclosure of Creation/Invocation/Release of encumbrance on shares by promoters to be made within 7 working days from the date of such creation/invocation/release of encumbrance, to the company and the Stock Exchange(s) where shares of the Company are listed.	The Promoters whose pledge (of shares) were invoked by the lenders on July 02, 2020 have not given to the Company and Stock Exchange(s) the intimation of such invocation.
3	**Reg. 31(5):** Annual Disclosure received from Promoters relating to encumbered shares has to be placed before Audit Committee.	On scrutiny of Minutes of Audit Committee meeting it was concluded that no such disclosure was placed before the Committee.

PART E: FOREIGN EXCHANGE MANAGEMENT ACT, 1999:

S.N.	Particulars	Remarks
1	Annual Performance Report (APR): The Indian Party is required to submit the Annual Performance Report based on Audited Financial Statements of the overseas Wholly Owned Subsidiary by 31st December of every year. Annual Performance Report (APR) for the Financial Year 2019-20 was required to be filed by the Company with RBI before December 31, 2020.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
2	Foreign Liabilities Assets (FLA) for Financial Year 2019-20	The Company has filed the FLA for FY 2019-20 on July 30, 2021 which is beyond the prescribed time limit.

PART F: SEBI CIRCULARS:

S.N.	Particulars	Remarks
1	As per SEBI Circular no. **SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019:** Disclosure of defaults on payment of interest/ repayment of principal amount on loans from banks /financial institutions and unlisted debt securities has to be made within 7 days from the end of the Quarter.	The Company has submitted the said disclosure for Quarter ended March 31, 2020 on May 19, 2020; similar disclosures for subsequent quarters has not been made.
2	As per Circular no. **SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018:** Company has to place before Board of Directors Internal Audit Report and Action taken Report received from RTA.	Based on our scrutiny of the minutes of meetings of Board of Directors, we do not find any such Internal Audit Report having been placed before the Board.
3	As per SEBI Circular no. **SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020:** SEBI has mandated requirement to disclose the material impact of Covid19 on the business of the listed entity.	Company has not disclosed to the stock exchange(s) Impact of Covid-19 on the listed entity.
4	As per SEBI Circular no. **SEBI/HO/ISD/ISD/CIR/P/2019/82 dated July 29, 2019:** Listed Company shall maintain a Database of violations by designated persons and their immediate relatives of code of conduct formulated under SEBI (Prohibition of Insider Trading) Regulations, 2015.	The database of violations by designated persons and their immediate relatives is not maintained by the Company

PART G:

S.N.	Action Taken By	Details of violation	Details of action taken	Remarks
1	BSE Limited (BSE)	Non-Submission of statement on Related Party Transactions for half year ended September, 30 2020.	Fine of Rs. 1.75 lacs imposed (excluding GST at applicable rates)	The Company has subsequently filed the RPT statement on 09.06.2021 and Company is yet to remit the fine imposed by the Stock Exchange.
2	National Stock Exchange of India (NSE)	Delay in Submission of Financial Results for Quarter ended March 31, 2019.	Fine Imposed of Rs. 9,91,200 (Inc GST @ 18%)	Company is yet to remit the fine to the Stock Exchange.
3	National Stock Exchange of India (NSE)	Company have not complied with the Regulation 17 of LODR for the Quarter ended June 30, 2020.	Fine Imposed of Rs. 5,36,900 (Inc GST @ 18%)	Company is yet to remit the fine to the Stock Exchange.

S.N.	Action Taken By	Details of violation	Details of action taken	Remarks
4	National Stock Exchange of India (NSE)	Company have not complied with the Regulation 17 of LODR for the Quarter ended September 30, 2020.	Fine Imposed of Rs. 3,59,900 (Inc GST @ 18%)	Company is yet to remit the fine to the Stock Exchange.
	BSE Limited (BSE) & National Stock Exchange of India (NSE)	Non-Appointment of Compliance Officer.	Both the Stock Exchange have imposed a Fine of Rs. 1,08,560/- each (Inc GST @ 18%)	The Company is yet to appoint a Compliance Officer and the imposed fine is yet to be remitted to the Stock Exchange(s).
	BSE Limited (BSE) & National Stock Exchange of India (NSE)	Delay in submission of Reg. 31 - Shareholding Pattern.	Both the Stock Exchange have imposed a Fine of Rs. 4,720/- each (Inc GST @ 18%)	Company is yet to remit the fine to the Stock Exchange(s).

Annexure – B:

To,
The Members,
MERCATOR LIMITED
83-87 8th Floor, Mittal Tower,
B – Wing Nariman Point,
Mumbai - 400021

Our report of even date is to be read along with this letter:

1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Where ever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SHALINDER KAUR & ASSOCIATES**
COMPANY SECRETARIES

SHALINDER KAUR SADDAL
Proprietor
ACS No.: A38893, CP No.: 24104
UDIN: A038893C000768457

Place: Mumbai
Date: August 11, 2021

Report on Corporate Governance

In accordance with an application made by ICICI Bank, Financial Creditor of the Company, the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated February 08, 2021 in Company Petition No. (IB) 4404/MB/2019 ("Insolvency Commencement Order") in the matter of ICICI Bank Ltd V. Mercator Ltd & Anr., has initiated Corporate Insolvency Resolution Process ("CIRP") against Mercator Limited, Corporate Debtor ("the Company") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr. Girish Siriram Juneja, having Registration No. IBBI/IPA-001/IP-P00999/2017-2018/11646 who had been appointed as Interim Resolution Professional ("IRP") was subsequently confirmed as Resolution Professional ("RP") to manage the affairs of the Company in accordance with the provisions of the Code. Further, in consonance with the stipulation contained in Section 17 of the Code, the powers of the Board of Directors of the Company stand suspended effective from CIRP commencement date and the same are vested and exercised by Mr. Girish Siriram Juneja, Resolution Professional.

I. Company's philosophy:

The Company is committed to make continuous efforts and adhere to best practices of Corporate Governance. Corporate Governance is practiced at all levels of the Company and not restricted only to the Board of Directors. Corporate governance to the Company is not just a compliance issue but central guiding principle for everything it does. The following report on the implementation of the Corporate Governance Code is a sincere effort of the Company to follow the Corporate Governance Principles in its letter and spirit.

The Company strives to ensure compliance with the various corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). However, in terms of sub-regulations 2A and 2B of Regulation 15 of Listing Regulations, the provisions as specified in Regulation 17 to 21 of Listing Regulations are not applicable during the CIRP period in respect of a listed entity which is undergoing CIRP under the Code.

In terms of Regulation 34(3) read with Schedule V to Listing Regulations, a Report on Corporate Governance for the year ended March 31, 2021 is presented below.

II. Board of directors:

(a) Constitution of the Board and other relevant details:

As at the year end March 31, 2021, the Board of Directors of the Company comprised of Four Directors: One Executive Director and Three Non-Executive Directors, out of which all of the three Non-Executive Directors are Independent Directors and one of them is a Woman Director. However, as per the market capitalization of listed entities as on March 31, 2021, issued by National Stock Exchange of India Limited, where the equity shares of the Company are listed, the Company falls under the top 2000 listed entities and pursuant to Regulation 17 of the Listing Regulations, the Board of Directors of the Company shall comprise of not less than six directors. The Company shall make suitable efforts to comply with the same.

The Company is in compliance with the requirement of at least half of the Board comprising of Independent Directors as the Chairman of the Board is an Executive Director and a Promoter. There is no Nominee Director on the Board of the Company. However, after appointment of RP, all meetings of Board of Directors (RP & Directors) are chaired by the RP.

No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he/she is Director; and necessary disclosures to this effect has been received by the Company from all the Directors. None of the Independent Director has any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence. The Board confirms that all Independent Directors fulfill the conditions specified for independence as stipulated in the Regulation 16(1)(b) of Listing Regulations and are independent of the Management.

(b) Board Meetings:

During the year 2020-21, 4 (four) Board Meetings were held i.e. on July 15, 2020, September 15, 2020, November 12, 2020 and February 12, 2021. As stipulated, the gap between two Board meetings did not exceed the period prescribed by the Listing Regulations, the Companies Act, 2013 ("the Act") Secretarial Standards on Board Meetings (SS-1) issued by Institute of Company Secretaries of India (ICSI) and pursuant to the relaxations issued vide SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 as amended from time to time.

The details of Directors and their attendance at Board Meetings held during the year, at last Annual General Meeting and number of other Directorships including the details of directorships held in other listed entities and Chairmanships / Membership of Committees are given below:

Sr. No.	Name of Director & DIN	Category	No. of Board Meeting Attended	Attendance at last AGM held on December 29, 2020 and adjourned on January 5, 2021	Total number of other Director ships*	Directorships & category of directorships held in other Listed entity	No. of other Board Committee membership held in Public Companies as on 31.03.2021**	
							Chairman	Member
1	Mr. H. K. Mittal (DIN:00007690)	Whole-Time Director & Promoter	4	Yes	1	None	Nil	Nil
2	Mr. M. M. Agrawal (DIN:00681433) (Upto September 29, 2020)	Non-Executive Independent Director	2	N.A.	-	None	Nil	Nil
3	Mr. Anil Khanna (DIN: 0199924) (Upto October 01, 2020)	Non-Executive Independent Director	2	N.A.	2	None	Nil	1
4	Mr. Chetan Desai (DIN:03595319) (Upto September 25, 2020)	Non-Executive Independent Director	2	N.A.	8	Non-Executive Non-Independent Director in Delta Corp Limited	3	4
5	Mrs. Ameeta Trehan (DIN:07087510) (Upto September 01, 2020)	Non-Executive Independent Director	1	N.A.	3	Non-Executive Independent Director in Steelco Gujarat Limited	1	1
6	Mr. Jagmohan Talan (DIN: 08890353) (w.e.f. September 23, 2020)	Non-Executive Independent Director	2	Yes	-	None	Nil	Nil
7	Ms. Ritu Vats (DIN: 08890591) (w.e.f. September 23, 2020)	Non-Executive Independent Director	2	Yes	-	None	Nil	Nil
8	Mr. Sukhdarshan Singh Bedi (DIN:08889664) (w.e.f. September 23, 2020)	Non-Executive Independent Director	2	Yes	-	None	Nil	Nil

*Other directorships as on March 31, 2021, does not include One Person Company, Private Companies, Companies registered u/s 8 of the Act, Alternate directorships and foreign Companies.

**In accordance with the Listing Regulations Memberships / Chairmanships of only the Audit Committees and Stakeholders' Relationship Committees of all Public Limited Companies have been considered. The data for resigned directors is upto their respective dates of resignation.

The Company has made efforts to furnish such information to the Board as mentioned under Listing Regulations from time to time. The Board did not review the periodical compliance reports of all laws applicable to the Company.

(c) Detailed reasons for the resignation of Independent Directors:

During the year under review, Mrs. Ameeta Trehan (DIN: 07087510) stepped down from the position of Non-Executive Independent Director of the Company with effect from September 1, 2020 due to personal reasons.

Mr. Chetan Desai (DIN: 03595319) stepped down from the position of the Non-Executive Independent Director of the Company with effect from September 25, 2020 on account of personal reasons.

Mr. Man Mohan Agrawal (DIN: 00681433) stepped down from the position of the Non-Executive Independent Director of the Company with effect from September 29, 2020 due to ill-health.

Mr. Anil Khanna (DIN: 00199924) stepped down from the position of the Non-Executive Independent Director of the Company with effect from October 1, 2020 due to personal reasons.

The resigning Directors have confirmed that there were no other material reasons other than those provided in their letter provided at the time of resignation.

Subsequently, to the end of the financial year 2020-21, Ms. Ritu Vats (DIN: 08890591), Mr. Jagmohan Talan (DIN: 08890353) and Mr. Sukhdarshan Singh Bedi (DIN: 08889664), Independent Directors of the Company had tendered their resignations vide emails dated June 19, 2021, June 21, 2021 and June 28, 2021 respectively, citing personal reasons. Given the fact that the resignation of Directors is governed by the Articles of Association of the Company, hence in line with the discussions held with the Committee of Creditors (CoC), the Resolution Professional requested the Directors to reconsider their decision.

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

However, Mr. Sukhdarshan Singh Bedi (DIN: 08889664) was unwilling to continue with his term due to personal commitments. As such, his resignation was taken on record and accepted w.e.f. August 12, 2021. It was also noted that there were no other material reasons for his resignation other than the one mentioned herein.

The Board (RP & Directors) placed on record its appreciation for the support and contribution made by Mr. Sukhdarshan Singh Bedi during his tenure with the Company.

(d) Disclosure for Shares or Convertible Instruments held by Non-Executive Directors:

During the year under review, the Company has not issued any shares or convertible instruments. Further, as on March 31, 2021, none of the Non-Executive Directors holds any share or convertible instruments of the Company.

(e) Inter-se Relationship:

None of the Directors of the Company are inter related to each other.

(f) Independent Directors' Meeting:

Pursuant to Schedule IV of the Act, the Independent Directors are required to hold at least one meeting without the attendance of non-independent directors and members of management. Generally, the Independent Directors meeting is convened in the last quarter of the financial year. However, since in the last quarter, the Company had entered in the process of CIRP and pursuant to the provisions of the Code, the powers of Board of Directors had been suspended, as a result, during the year under review, no meeting of Independent Directors was held.

(g) Evaluation of Performance:

The Board of Directors of the Company comprises of one Whole-time Director and all the remaining three directors are Non-Executive Independent Directors.

During the FY 2020-21, the evaluation of Independent Directors of the Company did not take place.

(h) Familiarisation Programme:

During the year under review, the Company could not hold familiarisation programmes for Independent Directors.

(i) Core Skills / Expertise / Competencies available with the Board:

The Board comprises highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees. Pursuant to the amended Listing Regulations, the list of core skills / expertise / competencies identified by the Board in the context of the Company's business and sector in which it operates and those available with the Board are given as under:

Skills	Availability of skills, expertise and competence with the Directors
Industry knowledge	Yes
Understanding of financials	Yes
Familiarity with the laws applicable to the business	Yes
Corporate Governance	Yes

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted.

Name of the Director	Area of expertise			
	Industry knowledge	Under-standing of financials	Familiarity with the laws applicable to the business	Corporate Governance
Mr. H. K. Mittal	✓	✓	✓	✓
Mr. M. M. Agrawal (Upto September 29, 2020)	✓	✓	✓	✓
Mr. Anil Khanna (Upto October 01, 2020)	✓	✓	✓	✓
Mr. Chetan Desai (Upto September 25, 2020)	✓	✓	✓	✓
Mrs. Ameeta Trehan (Upto September 01, 2020)	✓	✓	✓	✓
Mr. Jagmohan Talan (w.e.f. September 23, 2020)	✓	✓	✓	✓
Ms. Ritu Vats (w.e.f. September 23, 2020)	✓	✓	✓	✓
Mr. Sukhdarshan Singh Bedi (Appointed w.e.f. September 23, 2020 and ceased to be Director w.e.f. August 12, 2021)	✓	✓	✓	✓

(j) Code of Conduct:

The Company has adopted the code of conduct and ethics for all directors and senior management. The code has been circulated to all the members of the Board and senior management and the same is also available on Company's website www.mercator.co.in.

Since, Mr. Shalabh Mittal has resigned from the office of Chief Executive Officer of the Company w.e.f. August 12, 2021, accordingly, the declaration by Mr. Harish Kumar Mittal, Whole Time Director of the Company affirming the compliance with the code for the financial year ended on March 31, 2021 by the members of the Board and Senior Management Personnel, as applicable to them, is annexed to this Annual Report.

III. Audit Committee:

As at March 31, 2021, the Company is under CIRP and accordingly, as per Regulation 15(2A) and (2B) of the Listing Regulations, Regulations 17, 18, 19, 20 and 21 of the Listing Regulations relating to various committees including Audit Committee are not applicable to the Company during the Insolvency Process.

However, the Company continues to have a duly constituted Audit Committee in compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

Composition:

During the year under review, Mr. Chetan Desai (DIN: 03595319), Mr. Man Mohan Agrawal (DIN: 00681433) and Mr. Anil Khanna (DIN: 0199924), the members of Audit Committee of the Company, resigned from the directorship of the Company with effect from September 25, 2020, September 29, 2020 and October 01, 2020 respectively.

Pursuant to their resignation, Audit Committee was re-constituted by the Directors of the Company on October 14, 2020 by seeking approval of the Board of Directors by passing of circular resolution.

As at March 31, 2021, the Audit Committee comprised of three Non-Executive Independent Directors and one Executive Director. Mr. Jagmohan Talan (DIN: 08890353), is the Chairman of the Committee; other members being Ms. Ritu Vats (DIN: 08890591) Mr. Sukhdarshan Singh Bedi (DIN: 08889664) and Mr. H. K. Mittal (DIN:00007690), Executive Director of the Company.

However, after initiation of CIRP, all meetings of Audit Committee are chaired by the RP.

The Chief Financial Officer along with the Internal Auditors and Statutory Auditors are invitees to the Audit Committee Meetings.

However, as the Company is under CIRP, the powers of the Board of Directors of the Company stand suspended and the same are vested in and are exercised by the RP. The Directors continue to hold their respective positions/ designations in the Company and are required to extend all assistance and cooperation to the RP as required in managing the affairs of the Company.

All the recommendations made by the Audit Committee during the year were accepted and approved by the Board and the RP, as the case may be.

Terms of Reference:

The terms of reference of the Audit Committee inter-alia comprises of the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by the management.
   d. Significant adjustments made in the financial statements arising out of the audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice (if any), and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
20. Such other functions / powers as may be assigned / referred to the Committee by Board from time to time. The minutes of the Audit Committee meeting are always presented to the Board for its discussion and taking on record.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. To Review of compliances as per the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall also verify that the systems for internal control are adequate and are operating effectively.
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and Explanation (i): The term 'related party transactions' shall have the same meaning as provided in Regulation 23 of the Listing Regulations. The Audit Committee is also authorised to:
    a. Investigate any activity within its terms of reference;
    b. Seek any information from any employee;
    c. Obtain outside legal or other professional advice;
    d. Secure attendance of outsiders with relevant expertise, if it considers necessary;
    e. Call for comments from the auditors about internal controls systems and the scope of audit, including the observations of the auditors;
    f. Review financial statements before submission to the Board; and
    g. Discuss any related issues with the internal and statutory auditors and the management of the Company.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
    a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
    b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

Meetings:

During the year, four meetings of the Audit Committee were held i.e. on July 15, 2020, September 15, 2020, November 12, 2020 and February 12, 2021. As stipulated, the gap between two meetings did not exceed the period prescribed by the Listing Regulations and pursuant to the relaxations issued by SEBI vide Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 as amended from time to time.

Name of Director	No. of meetings held during theirtenure	No. of Meetings attended
Mr. H. K. Mittal (DIN: 00007690)	4	4
Mr. M. M. Agrawal (DIN: 00681433) (ceased to be Member on September 29, 2020)	2	2
Mr. Anil Khanna (DIN: 0199924) (ceased to be Member on October 01, 2020)	2	2
Mr. Chetan Desai (DIN: 03595319) (ceased to be Member on September 25, 2020)	2	2
Mr. Jagmohan Talan (DIN: 08890353) (Inducted as Member w.e.f. September 23, 2020)	2	2
Ms. Ritu Vats (DIN: 08890591) (Inducted as Member w.e.f September 23, 2020)	2	2
Mr. Sukhdarshan Singh Bedi (DIN: 08889664) (Inducted as Member w.e.f September 23, 2020)	2	2

Mr. Jagmohan Talan, Chairman of the Audit Committee was present at the 36th Annual General Meeting of the Company to reply to the queries of the Shareholders.

IV. Nomination and Remuneration Committee:

As at March 31, 2021, the Company is under CIRP and accordingly, as per Regulation 15(2A) and (2B) of the Listing Regulations, Regulations 17, 18, 19, 20 and 21 of the Listing Regulations relating to various committees including Nomination and Remuneration Committee are not applicable to the Company during the Insolvency Process.

However, the Company continues to have a duly constituted Nomination and Remuneration Committee in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

Composition:

During the year, Mr. Chetan Desai (DIN: 03595319), Mr. M. M. Agrawal (DIN: 00681433) and Mr. Anil Khanna (DIN: 0199924) the former members of Nomination & Remuneration Committee of the Company, resigned from the directorship of the Company with effect from September 25, 2020, September 29, 2020 and October 01, 2020 respectively.

Pursuant to their resignation, Nomination and Remuneration Committee was re-constituted by the Directors of the Company on October 14, 2020 by seeking approval of the Board of Directors by passing of circular resolution.

As on March 31, 2021, the Committee comprises of three Non-Executive Independent Directors as members viz; Mr. Sukhdarshan Singh Bedi as Chairperson, Mr. Jagmohan Talan and Ms. Ritu Vats as members.

However, after initiation of CIRP, all meetings of Nomination and Remuneration Committee are chaired by the RP.

However, as the Company is under CIRP, the powers of the Board of directors of the Company stand suspended and the same are vested in and are exercised by the RP. The Directors continue to hold their respective positions/ designations in the Company and are required to extend all assistance and cooperation to the RP as required in managing the affairs of the Company.

Terms of Reference:

Pursuant to the provisions of the Act and Listing Regulations, the role of the Nomination and Remuneration Committee of the Company includes the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. recommend to the board, all remuneration, in whatever form, payable to senior management.
7. To follow process for selection and appointment of new directors and succession plans.
8. Recommend to the Board from time to time, a compensation structure for directors, key managerial personnel and the senior management personnel.
9. Performing functions relating to all share based employees benefits;

Remuneration Policy:

Pursuant to the provisions of Section 178 of the Act, the Company had adopted and implemented Remuneration Policy to recommend to the Board matters relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The objective of this Policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

The Committee, on behalf of the Board and the members, determines, with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors, Key Managerial Personnel and Senior Management Personnel including pension rights and any compensation payment.

Performance Evaluation:

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors and other Directors, Board of Directors and Committees of the Board of Directors. The assessment was carried on the basis of following criteria:

1. Provides Valuable Input;
2. Dedication and Commitment;
3. Industry Knowledge;
4. Overall contribution; and
5. Compliances under Companies Act
6. Independence
7. Independent views and judgement
8. Integrity
9. Ability to function as team

Details of remuneration paid to Directors for the financial year ended March 31, 2021:

Executive Directors: Mr. H. K. Mittal (DIN: 00007690), Whole Time Director does not draw any remuneration from the Company.

Non-Executive Directors:

During the year, no commission was paid to the non-executive Directors of the Company. The Non-executive Directors were paid Remuneration by way of sitting fees for attending Board meetings and Committee meetings. The details of sitting fees paid during the year is as below:

Name of Director	Amount (Rs.)
Mr. M. M Agrawal (DIN: 00681433) (Upto September 29, 2020)	2,00,000
Mr. Anil Khanna (DIN: 00199924) (Upto October 01, 2020)	2,00,000
Mr. Chetan Desai (DIN: 03595319) (Upto September 25, 2020)	2,00,000
Mrs. Ameeta Trehan (DIN: 07087510) (Upto September 01, 2020)	50,000
Mr. Jagmohan Talan (DIN: 08890353) (w.e.f. September 23, 2020)	50,000
Ms. Ritu Vats (DIN: 08890591) (w.e.f. September 23, 2020)	50,000
Mr. Sukhdarshan Singh Bedi (DIN: 08889664) (w.e.f. September 23, 2020)	Nil

a. The Company has not granted any Stock Options.

b. There are no separate service contracts with any of the directors. The current tenure of office of the Whole Time Director is for three years from his date of appointment. There is no separate provision for payment of severance fees.

c. Apart from the above mentioned remuneration or fees paid, there are no other fixed components and performance linked incentives based on the performance criteria.

There were no meetings of Nomination and Remuneration Committee held during the financial year 2020-21.

Mr. Sukhdarshan Singh Bedi (DIN: 08889664), Chairman of the Committee was present at the 36th Annual General Meeting to reply to the Queries of the Shareholders.

V. Stakeholders' Relationship Committee:

As at March 31, 2021, the Company is under CIRP and accordingly, as per Regulation 15(2A) and (2B) of the Listing Regulations, Regulations 17, 18, 19, 20 and 21 of the Listing Regulations relating to various committees including Stakeholders Relationship Committee are not applicable to the Company during the Insolvency Process.

However, the Company continues to have a duly constituted Stakeholders Relationship Committee in compliance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations.

Composition:

During the year under review, Mr. M. M. Agrawal (DIN: 00681433) resigned from the Board w.e.f September 29, 2020 and Mr. Anil Khanna (DIN:00199924) resigned from the Board w.e.f. October 01, 2020 so the Board on October 14, 2020 through circular resolution reconstituted Committee by appointing Mr. Sukhdarshan Singh Bedi as Chairman and Mr. Jagmohan Talan as the member of Committee in their place.

As at March 31, 2021 the Committee comprises of one Executive Director and two Non-Executive Independent Directors. Mr. Sukhdarshan Singh Bedi (DIN: 08889664), Non-Executive Independent Director, is the Chairman of the Committee with the other members being, Mr. H. K. Mittal (DIN:00007690) and Mr. Jagmohan Talan (DIN: 08890353). The Company does not have a Compliance Officer.

However, after initiation of CIRP, all meetings of Stakeholders' Relationship Committee are chaired by the RP.

As the Company is under CIRP, the powers of the Board of directors of the Company stand suspended and the same are vested in and are exercised by the RP. The Directors continue to hold their respective positions/ designations in the Company and are required to extend all assistance and cooperation to the RP as required in managing the affairs of the Company.

Terms of Reference:

The terms of reference of the Committee are as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

There were no meetings of Stakeholders' Relationship Committee held during FY 2020-21.

Mr. Sukhdarshan Singh Bedi, Chairman of the Committee was present at the 36th Annual General Meeting to reply to the Queries of the Shareholders.

Status of Investors' Complaint

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the financial year 2020-21 are as under:

Opening at the beginning of the year	Received during the year	Resolved during the year	No. of complaints not solved to the satisfaction of shareholders	Pending at the end of the year
0	0	0	0	0

VI. Corporate Social Responsibility Committee:

The constitution of the Corporate Social Responsibility ("CSR") Committee as on March 31, 2021 is in conformity with the requirements of Section 135 of the Act, which comprises of three Directors with atleast one Independent Director.

As at March 31, 2021, the Corporate Social Responsibility Committee of the Company comprised of three Directors. Ms. Ritu Vats as its Chairperson, Mr. Jagmohan Talan and Mr. H.K. Mittal being other members.

During the year, the Committee was reconstituted due to resignation of Mr. M. M. Agarwal w.e.f. September 29, 2020 and Mr. Anil Khanna w.e.f. October 01, 2020. Ms. Ritu Vats (Chairperson) and Mr. Jagmohan Talan (Member) were appointed in their place by passing circular resolution on October 14, 2020.

The Company has framed the CSR Policy in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Committee is authorized to plan, approve the operational procedures and supervise / monitor implementation of CSR policy.

No Meetings of Corporate Social Responsibility Committee was held during the year.

VII. Risk Management Committee:

As at March 31, 2021, the Company is under CIRP and accordingly, as per Regulation 15(2A) and (2B) of the Listing Regulations, Regulations 17, 18, 19, 20 and 21 of the Listing Regulations relating to various committees including Risk Management Committee are not applicable to the Company during the Insolvency Process.

However, the Company continues to have a duly constituted Risk Management Committee in compliance with the provisions of Regulation 21 of the Listing Regulations.

Terms of Reference:

The role of Risk Management Committee is as below:

(1) To formulate a detailed risk management policy which shall include:

   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   (c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

Composition:

During the year, Mr. M. M. Agrawal (DIN: 00681433), who was the Chairman of the Committee and Mr. Chetan Desai (DIN: 03595319) who was member of the Committee resigned w.e.f. from September 29, 2020 and September 25, 2020 respectively. Pursuant to this, the Committee was reconstituted by passing circular resolution on October 14, 2020.

As on March 31, 2021, the Risk Management Committee comprised of Mr. Sukhdarshan Singh Bedi as Chairman and other members being Mr. Jagmohan Talan, Independent Director, and Mr. Shalabh Mittal, Chief Executive Officer of the Company.

The Company has laid down the procedure to inform Board members about risk assessment and minimization procedures. The Board periodically monitors the risk management plan.

No Meetings of Risk Management Committee was held during the year.

VIII. General Body Meetings:

(i) Details of General Meetings held during last three years are given below:

Financial Year	Date	Time	Venue	Special Resolution(s)
2019-20 (AGM)	29/12/2020 and Adjourned AGM on 05/01/2021	3:00 P.M	Through VC/OAVM. Deemed venue: 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai - 400 021.	1. To approve the variation in the terms of the loans to the Wholly Owned Subsidiary Company, Mercator Oil & Gas Limited. 2. To approve the variation in the terms of the loans to the Subsidiary Company, Mercator Petroleum Limited.
2018-19 (AGM)	31/12/2019	3:00 P.M	4th Floor, Walchand Hirachand Hall, IMC Bldg., IMC Marg, Churchgate, Mumbai - 400 020	1. Re-appointment of Mr. H K Mittal (DIN: 00007690) as Executive Chairman without remuneration for a period of three years with effect from August 1, 2019 to July 31, 2022 2. Appointment of Mrs. Ameeta Trehan (DIN: 0087510) as an Independent Director for a term of five years commencing from July 1, 2019
2017-18 (AGM)	26/09/2018	3:30 PM	4th Floor, Walchand Hirachand Hall, IMC Bldg., IMC Marg, Churchgate, Mumbai - 400 020	1. Appointment of Mr. Anil Khanna (DIN: 0199924) 2. Appointment of Mr. Chetan Desai (DIN: 03595319) 3. Appointment of Mr. Paritosh Kakkad (DIN: 02558443)

(ii) Postal ballot

During the year ended March 31, 2021, the Company had not conducted any business through Postal Ballot.

However, during the year ended March 31, 2020, the Company passed special resolutions by way of Postal Ballot as per provisions of Section 110 of the Companies Act, 2013.

Details of special resolution passed through postal ballot

The details of all the special resolutions by way of Postal Ballot are as under:

(a) The Company had issued Postal Ballot Notice along with Postal Ballot form on April 30, 2019 in terms of Section 110 of the Act and the last day for the voting was May 30, 2019. The results were to be declared on or before June 1, 2019 and result thereof was announced on May 31, 2019.

Details of the resolutions passed were as under:

Details of the Resolution passed	Type of Resolution	No. of votes polled	No of votes – in favour	No. of votes - against	% of Votes cast in favour	% of Votes cast against
Reclassification of authorised share capital and consequent alteration of the capital clause in the Memorandum of Association of Company	Ordinary	108136121	108136111	10	99.997%	0.002%
Reclassification of authorised share capital and consequent alteration in the Articles of Association of Company	Special	108139058	108135901	3157	99.997%	0.002%
Re-appointment of Mr. M. M. Agrawal (DIN: 00681433) as an Independent Director of the Company for a second consecutive term of five years.	Special	108140058	84602582	23537476	78.234%	21.766%
Amendment of existing terms and conditions of the US$16,000,000 4.75% Unsecured Foreign Currency Convertible Bonds (FCCB's) issued by the Company	Special	108140058	108135729	4329	99.996%	0.004%

(b) The Company had issued Postal Ballot Notice along with Postal Ballot form on October 10, 2019 in terms of Section 110 of the Act and the last day for the voting was November 10, 2019. The results were to be declared on or before November 12, 2019 and result thereof was announced on November 11, 2019.

Details of the resolutions passed were as under:

Details of the Resolution passed	Type of Resolution	No. of votes polled	No of votes – in favour	No. of votes - against	% of Votes cast in favour	% of Votes cast against
Sale of Ship – FSO Prem Pride	Special	61015101	60996314	18787	99.97%	0.03%
Sale of Ship – Prem Mala	Special	61015101	60996305	18796	99.97%	0.03%

(c) The Company had issued Postal Ballot Notice along with Postal Ballot form on December 11, 2019 in terms of Section 110 of the Act and the last day for the voting was January 10, 2020. The results were to be declared on or before January 12, 2020 and result thereof was announced on January 10, 2020.

Details of the resolutions passed were as under:

Details of the Resolution passed	Type of Resolution	No. of votes polled	No of votes – in favour	No. of votes - against	% of Votes cast in favour	% of Votes cast against
Approval for strategic sale of participating interest of oil block in material subsidiary	Special	61347215	61191609	155606	99.75%	0.25%

Mr. Sunil Zore, Partner of M/s SPZ & Associates, Company Secretaries was appointed as Scrutinizer for conducting all of the above Postal Ballot voting process in fair and transparent manner. All of the above resolutions mentioned in points (a), (b) and (c) were passed with requisite majority. The Company had complied with the procedure for Postal Ballot in terms of the provision of Section 110 of the Act, read with Companies (Management and Administration) Rules, 2014 and amendments thereto from time to time.

Procedure for Postal Ballot:

Upon receiving approval of the Board of Directors and consent from the Scrutinizer, the notice of the Postal Ballot containing text of the Resolution to be passed and the relevant Explanatory Statement, postal ballot form, pre-paid self-address postage envelope are sent to the shareholders to enable them to vote on the Resolutions within a period of 30 days from the date of dispatch. The Company also provides e-voting facility to the members to cast their vote by electronic means. A notice is published in the local newspapers regarding dispatch of the Postal Ballot notice. After the last date of receipt of ballots, the Scrutinizer submits his report. Thereafter the results are declared. The Scrutinizer's report is submitted to the Stock Exchange and also displayed on the Company's website.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

IX. Means of communication:

It shall be worthy to note that the Company is under CIRP and the website has been changed from www.mercator.co.in to www.mercator.co.in and accordingly, the details w.r.t. the CIRP period have been updated on the website.

Quarterly/yearly results are normally published in Financial Express in English Language and Navakal in Vernacular Language (Marathi). Quarterly shareholding distribution and quarterly/yearly results submitted to the Stock Exchanges are posted on the website of the Company i.e. www.mercator.co.in.The Company also displays official news releases on its website i.e. www.mercator.co.in.The Company has an email id secretarial@mercator.co.in to facilitate redressal of investors'/ shareholders. During the year under review, the Company has not made any presentations/press release to Institutional Investors or to the Analysts.

X. General Shareholder Information:

a.	**Date, Day, Time and Venue of Annual General Meeting**	**Date** : December 24, 2021 **Day** : Friday **Time** : 11:30 A.M. **Mode** : Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") **Venue** : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
b.	**Financial year**	1st April, 2020 to 31st March, 2021
c.	**Financial Calendar (1st April, 2021 to 31st March, 2022)**	**Tentative Dates** i) First Quarter Results - On August 12, 2021 ii) Second Quarter Results – On or before November 14, 2021 iii) Third Quarter Results - On or before February 14, 2022 iv) Fourth Quarter / Yearly Results - On or before May 30, 2022 (Audited Results)

d.	**Date of Book Closure**	Saturday, December 18, 2021 to Friday, December 24, 2021. (both days inclusive)
e.	**Cut-off date for e-voting**	The e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. Friday, December 17, 2021.
f.	**Date of Dividend payment / dispatch**	Not Applicable
g.	**Listing on Stock Exchanges**	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 **Scrip Code: 526235** **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 **Symbol: MERCATOR**
h.	**ISIN and CIN**	**ISIN:** INE934B01028 **CIN:** L63090MH1983PLC031418
i.	**Dematerialization of shares and liquidity**	About 99.51% of the Equity Shares of the Company have been dematerialized as on March 31, 2021.
j.	**Registrar and Share Transfer Agent**	**M/s. Link Intime India Private Limited.** C-101, 247 Park, L B S Marg, Vikroli West, Mumbai 400 083 Tel.: 91-22-2851 5606/5644 Fax: 91-22-2851 2885 E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
k.	**Outstanding ADRs, GDRs or any convertible instruments, conversion date and impact on Equity**	The Company has not issued any ADRs, GDRs or any convertible instruments
l.	**Commodity price risk or foreign exchange**	Not Applicable
m.	**Plant Locations and address for correspondence**	The Company does not have any plant. Address for correspondence: Mercator Limited 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai - 400 021. Tel Nos: 91-22-66373333 Fax Nos: 91-22-66373344 E-mail: secretarial@mercator.co.in Website: www.mercator.co.in

XI. List of credit ratings obtained:

The ratings given by Credit Analysis and Research Limited (CARE) both for short-term borrowings and long-term borrowings of the Company are CARE D. There was no revision in the said ratings from the ones reported in the Annual Report 2019-20. List of all credit ratings obtained by the Company are as below:

Facilities / Instruments	Rating	Rating action
Long term- Cash credit	CARE D; ISSUER NOT COOPERATING (Single D ISSUER NOT COOPERATING)	Issuer not cooperating; Based on best available information
Long Term Loan	CARE D; ISSUER NOT COOPERATING (Single D ISSUER NOT COOPERATING)	Issuer not cooperating; Based on best available information
Long Term- LC (Non- fund based)	CARE D; ISSUER NOT COOPERATING (Single D ISSUER NOT COOPERATING)	Issuer not cooperating; Based on best available information
Short Term LC/ BG	CARE D; ISSUER NOT COOPERATING (Single D ISSUER NOT COOPERATING)	Issuer not cooperating; Based on best available information

XII. Other Disclosures:

A. Basis of related party transactions: During the year, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large and was not in ordinary course of business or not on an arm's length basis. All related party transactions with related parties are disclosed in notes forming part of the Annual Accounts for the year under review. The Company has formulated a policy on materiality of Related Party Transactions as well as on dealing with Related Party Transactions. During the year, there were no material transactions with related parties. The policy is also available on the website of the Company at www.mercator.co.in.

B. Disclosure of accounting treatment: In preparation of financial statements, the Company has followed the Accounting Standards as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS') 'prescribed under Section 133 of the Act, and other recognized accounting practices and policies. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

C. Management: A Management Discussion and Analysis Report forming part of this Boards' Report is attached herewith and forms part of this Annual Report. Based on the disclosures received from the Senior Management Personnel, during the year, there was no material financial and commercial transaction by any of the Senior Management Personnel that may have a potential conflict with the interest of the Company at large.

D. Shareholders: Your Company recognizes rights of shareholders and protects and facilitates their rights and gives equitable treatment to all shareholders. Your Company practices and believes in sharing adequate and timely information with all the stakeholders of the Company.

E. Share Transfer System: Entire functions of Share Registry, both for physical transfer and in de-mat form; as well as demat/remat of shares, issue of duplicate/split/consolidation of Certificates along with registry function of Debentures is being carried out by the RTA at their registered office address. The correspondence regarding query of unpaid dividends shall be addressed to the registered office of the Company or at secretarial@mercator.co.in. The Company also obtains, from a Practicing Company Secretary, a half-yearly Certificate of Compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations entered into with Stock Exchanges and files a copy of the said certificate with the concerned Stock Exchanges.

F. Disclosures:

i. Below mentioned points are the instances of non-compliance/violations done by Company and penalties imposed on the Company by Stock Exchange:

Sr. No.	Action Taken By	Details of violation	Details of action taken eg. fines, warning letter, debarment etc.
1	BSE Limited	Non Submission of statement on Related Party Transactions for half year ended September, 30 2020	Fine of Rs. 1.75 lacs imposed (excluding GST at applicable rates)
2	National Stock Exchange of India	Delay in Submission of Financial Results for Quarter ended March 31, 2019	Fine Imposed of Rs. 9,91,200 (Inc. GST @ 18%)
3	National Stock Exchange of India	Company have not complied with the Regulation 17 of Listing Regulations for the Quarter ended June 30, 2020	Fine Imposed of Rs. 5,36,900 (Inc. GST @ 18%)
4	National Stock Exchange of India	Company have not complied with the Regulation 17 of Listing Regulations for the Quarter ended September 30, 2020	Fine Imposed of Rs. 3,59,900 (Inc. GST @ 18%)
5	BSE Limited & National Stock Exchange of India	Non Appointment of Compliance Officer	Both the Stock Exchanges have imposed a Fine of Rs. 1,08,560/- each (Inc. GST @ 18%)
6	BSE Limited & National Stock Exchange of India	Delay in submission of Reg 31 -Shareholding Pattern for the Quarter ended June 30, 2020	Both the Stock Exchanges have imposed a Fine of Rs. 4,720/- each (Inc. GST @ 18%)

ii. The Company has updated the Vigil Mechanism / Whistle Blower Policy as per amendments in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the same is available on the website of the Company.

iii. Every employee and Director has access to the Audit Committee on any matter and is free to report any unethical behavior, improper practice and wrongful conduct taking place in the Company for taking appropriate action. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. No person has been denied the access to the Audit Committee.

iv. During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

v. During the year the Company has not entered into Commodity Hedging activities. For Commodity Price Risk refer to Management Discussion and Analysis Report.

vi. **Review of Directors Responsibility Statement:** The Board in its report have confirmed that the annual accounts for the year ended March 31, 2021 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

vii. **Payment to Statutory Auditors:** The details of fees paid to M/s. Singhi & Co, Chartered Accountants, Statutory Auditors by the Company and its subsidiaries during the year ended March 31, 2021 are as follows:

Particulars	Amount (Rs. in Crore)
Audit Fees	0.17

viii. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The details of Complaints are as under:

Sr. No.	Particulars	Details
1	Number of complaints filed during the financial year	NIL
2	Number of complaints disposed of during the financial year	NIL
3	Number of complaints pending as on end of the financial year	NIL

ix. **Details of utilisation of funds :** During the year, the Company has not raised any funds through Preferential allotment or qualified Institutional Placement as specified under Regulation 32(7A) of the Listing Regulations.

x. **Policy on prohibition of insider trading:** The Company has formulated the "Code Of Conduct For Prohibition Of Insider Trading And Unpublished Price Sensitive Information Of Mercator Limited" (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, from time to time. The Board has appointed Chief Financial Officer as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, preclearance of trade, monitoring of trades and implementation of the Code under the overall supervision of the Board. The Company's Code, inter-alia, prohibits purchase and / or sale of securities of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Trading Window for dealing in the securities of the Company by the designated persons remains closed during the period from end of every quarter /year till the expiry of 48 hours from the declaration of quarterly / yearly financial results of the Company.

xi. **Non-appointment of Company Secretary and Compliance Officer of the Company:** As on March 31, 2021, the Company does not have a Company Secretary and Compliance Officer.

xii. **Subsidiary Companies:** As at March 31, 2021; the Company had total 27 subsidiaries out of which following are material subsidiaries:-

a) Mercator Petroleum Limited
b) Mercator Oil and Gas Limited
c) PT Karya Putra Borneo
d) PT Indo Perkasa
e) Offshore Holding Company Pte Ltd

The Company has formulated a policy for determining Material Subsidiaries, and the same is available on the website of the Company at www.mercator.co.in.

xiii. **Dividend:** In view of losses suffered during the year under review, your Board of Directors regret their inability to recommend any dividend for the Financial Year ended on March 31, 2021.

xiv. **Listing of shares:** The Equity Shares of the Company are listed on BSE Limited (Scrip Code: 526235) and National Stock Exchange of India Limited (Scrip Symbol: MERCATOR) and the annual listing fees in respect of the year 2021-22 have been paid to the exchanges.

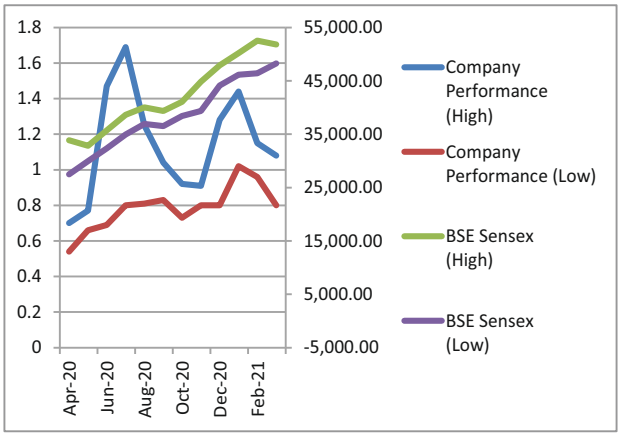
xv. **Market Price Data :** The monthly high and low quotations of closing prices of shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during each month in Financial Year 2020-21 are as follows:

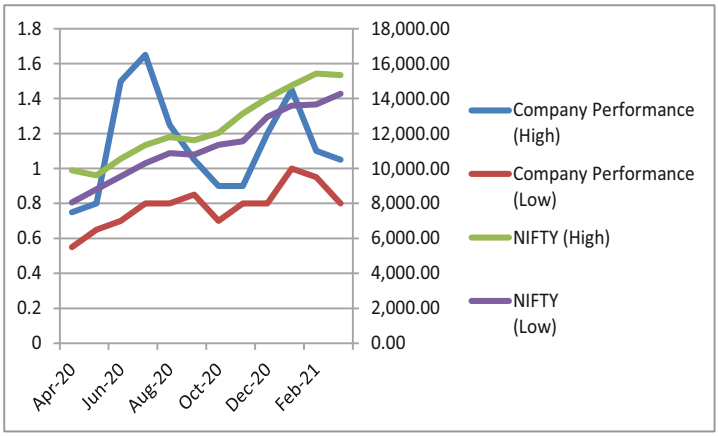
Month	BSE Share Price*		NSE Share Price**	
	High	Low	High	Low
April-20	0.70	0.54	0.75	0.55
May-20	0.77	0.66	0.80	0.65
June-20	1.47	0.69	1.50	0.70
July-20	1.69	0.80	1.65	0.80
August-20	1.25	0.81	1.25	0.80
September-20	1.04	0.83	1.05	0.85
October-20	0.92	0.73	0.90	0.70
November-20	0.91	0.80	0.90	0.80
December-20	1.28	0.80	1.20	0.80
January-21	1.44	1.02	1.45	1.00
February-21	1.15	0.96	1.10	0.95
March-21	1.08	0.80	1.05	0.80

*Source: www.bseindia.com **Source: www.nseindia.com

xvi. Performance in comparison to BSE SENSEX & NSE NIFTY-50

The performance of the Company's Equity Shares relative to the BSE Sensitive Index (BSE Sensex) and NSE Nifty-50 is given in the chart below:





xvii.Distribution of Equity Shareholding as on March 31, 2021:

Shareholding of nominal value of	No. of Shareholders	% to total Shareholders	No. of Shares	% to total Capital
UPTO 500	56545	65.88	10065511	3.33
501 - 1000	10737	12.51	9307216	3.08
1001 - 2000	6555	7.64	10496800	3.47
2001 - 3000	3137	3.65	8163262	2.70
3001 - 4000	1303	1.52	4769074	1.58
4001 - 5000	1833	2.14	8876098	2.93
5001 - 10000	2776	3.23	21792727	7.20
10001 AND ABOVE	2941	3.43	228988647	75.71
TOTAL	**85,827**	**100.00**	**302,459,335**	**100.00**

xviii. Category of Equity Shareholding as on March 31, 2021:

Sr. No	Category	No. of Shares	% of holding
1	Promoters & Promoter Group	3,27,44,675	10.83
2	Mutual Funds / UTI	75,000	0.02
3	Banks; FIs etc.	3,360	0.00
4	FIIs/FPIs	1,13,24,384	3.74
5	Private Corporate Bodies	4,78,79,050	15.83
6	Central Government/State Government	2,500	0.00
7	Indian Public and others	20,03,85,123	66.26
8	NRIs / OCBs	81,19,987	2.68
9	Clearing members	11,21,697	0.37
10	IEPF	803,559	0.27
	Total	**30,24,59,335**	**100.00**

xviii. Disclosure with respect to demat suspense account/unclaimed suspense account: The Company does not have shares lying in unclaimed suspense account arising out of public/bonus/right issues as at March 31, 2021. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

XIII. CEO/CFO Certification: Pursuant to Regulation 17(8) of Listing Regulations, the certificate from Mr. Rajendra Kothari, Chief Financial Officer and Mr. Harish Kumar Mittal, Whole Time Director of the Company, in respect of the financial year ended on March 31, 2021 has been annexed to this report.

XIV. Certificate for Non-disqualification of Directors from Company Secretary in Practice: A certificate to this effect issued by M/s Manish Ghia & Associates, Practicing Company Secretaries is annexed to this Report.

XV. Certificate on Corporate Governance: A certificate from M/s. Shalinder Kaur & Associates, Practicing Company Secretary regarding compliance of conditions of Corporate Governance is annexed to this Report.

XVI. Compliance: The Company has complied with the provisions of the Listing Regulations and any amendments thereof. The Company has complied with the mandatory requirements of Corporate Governance requirements 17 to 27 and clauses (b) to (i) of sub regulations (2) of regulations 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In addition, the Company has complied with the mandatory requirements of corporate governance report specified under Regulation 34(3) read with Para C of Schedule V to the Listing Regulations as disclosed above.

XVII. Compliance with discretionary requirements: The status of compliance with non-mandatory recommendations of the Listing Regulations:

(a) The Board: Our Chairman is an Executive Chairman and is entitled to maintain Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

(b) Shareholders' Rights: As the quarterly and half yearly, financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.

(c) Modified opinion(s) in Audit Report: Statutory Auditors have expressed adverse opinion in their report.

(d) Reporting of Internal Auditor: The Internal Auditors of the Company directly report to the Audit Committee of the Company.

DECLARATION ON CODE OF CONDUCT

In compliance with the requirements of the Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2021.

For and on behalf of the Board
For Mercator Limited

H. K. Mittal
Whole-time Director
Powers of the board are suspended from the Insolvency Commencement Date
Taken on record by

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

Dated: August 12, 2021

Regd. Office:
83-87, 8th Floor, Mittal Tower,
B-wing, Nariman Point,
Mumbai - 400 021

CEO/CFO CERTIFICATE

To,
The Board of Directors/Resolution Professional,
Mercator Limited

This is to certify that:

(a) We have reviewed financial statements (Consolidated and Standalone) and the cash flow statement for the for the financial year ended on March 31, 2021 and that to the best of our knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended March 31, 2021 which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit committee:

  (i) significant changes in internal control during over financial reporting the year, whenever applicable;

  (ii) that there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) that instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

For Mercator Limited

H K Mittal
Whole Time Director
(Suspended)

Rajendra Kothari
Chief Financial Officer

Place: Mumbai
Dated: June 23, 2021

Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Mercator Limited
83-87, 8th Floor, Mittal Tower,
B Wing, Nariman Point,
Mumbai - 400021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Mercator Limited** having **CIN: L63090MH1983PLC031418** and having registered office at **83-87, 8th Floor, Mittal Tower, B Wing, Nariman Point, Mumbai - 400021** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that all the Directors on the Board of the Company as stated below, as on and for the Financial Year ended on 31st March, 2021 have incurred disqualification from being appointed as director of any other company and from being reappointed as Director of the Company when their current tenure gets determined, in terms of the provisions of Section 164(2) of the Companies Act, 2013.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Harish Kumar Mittal	00007690	01/08/2007
2	Sukhdarshan Singh Bedi	08889664	23/09/2020
3	Jagmohan Talan	08890353	23/09/2020
4	Ritu Vats	08890591	23/09/2020

Further Ms. Ritu Vats who was appointed as an Independent Director on 23rd September 2020, is yet to apply to the Indian Institute of Corporate Affairs (IICA) for inclusion of her name in the databank (set up and maintained by IICA) as required under Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Section 150 of the Companies Act, 2013. As required under the said rule, the application for registration in the database mentioned above is a pre-requisite before being appointed as an Independent Director.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: August 12, 2021
UDIN: F006252C000772842

CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO THE MEMBERS OF MERCATOR LIMITED

We have examined the compliance of the conditions of Corporate Governance procedures implemented by Mercator Limited **(the "Company")** for the Financial Year ended on March 31, 2021 as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(the "Listing Regulations")** pursuant to the Listing agreement of the Company with the Stock Exchanges and we have examined the relevant records of the Company in accordance with the Guidance Note on Corporate Governance Certificate issued by The Institute of Company Secretaries of India (the "ICSI").

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable, except in respect of matters specified in **Annexure - A** attached to this Certificate.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

Note: Due to COVID-19 situation, Certification on this Corporate Governance Report is done on the basis of documents made available to us in electronic form (i.e. scanned copies vide e-mail) by the Company.

For SHALINDER KAUR & ASSOCIATES
(COMPANY SECRETARIES)

SHALINDER KAUR SADDAL
Proprietor
ACS No.: A38893, CP No.: 24104
UDIN: A038893C000776003

Place: Mumbai
Date: August 12, 2021

ANNEXURE - A

SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

S. N.	Particulars	Remarks
1	***Reg. 17(1):** The Board of Directors of top 2000 listed entities shall comprise of not less than 6 Directors. The Company was in the top 2000 Companies based on market capitalisation as on March 31, 2021.	The Board strength is of 4 Directors which comprises of 3 Independent Directors and 1 Whole-Time Director. The Company is yet to comply with the requirement.
2	***Reg. 17(3):** The Board of Directors shall periodically review compliance reports pertaining to all laws applicable to the listed entity, prepared by the listed entity as well as steps taken by the listed entity to rectify instances of non-compliances.	The Board of Directors shall periodically review compliance reports pertaining to all laws applicable to the listed entity, prepared by the listed entity as well as steps taken by the listed entity to rectify instances of non-compliances. The Company has not complied with the requirement.
3	***Reg. 17(10):** Evaluation of Independent Director shall be done by the entire Board of Directors.	The evaluation of Independent Directors has not been done by the Board of Director.
4	***Reg. 18(1)(e):** The Company Secretary shall act as the secretary to the Audit Committee.	The Company does not have a Qualified Company Secretary.
5	***Reg. 19(3A):** Nomination and Remuneration Committee shall meet at least once in a year.	The Meeting of the Committee of the Company has not been held during the year.
6	***Reg. 20(3A):** Stakeholders Relationship Committee shall meet at least once in a year.	The Meeting of the Committee of the Company has not been held during the year.
7	***Reg. 21(3A):** Risk Management Meeting shall meet at least once in a year.	The Meeting of the Committee of the Company has not been held during the year.
8	**Reg. 23(9):** The listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year disclosures of related party transactions on a consolidated basis to the Stock Exchange(s).	The submission of the said disclosure for the half year ended September 30, 2020 was made on June 09, 2021 which was beyond the stipulated time limit.
9	**Reg. 24(1):** At least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, incorporated in India or not.	The Company has not appointed its Independent Director on the Board of its Material Subsidiaries.
10	**Reg. 24(2):** The Audit Committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.	The Audit Committee of the Company has not reviewed the said mandatory information of unlisted subsidiaries. The Company has not placed before the Audit Committee the mandatory particulars of the unlisted subsidiaries of the Company.
11	**Reg. 24(3):** The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the listed entity.	On scrutiny of minutes of meeting of Board of Directors of the Company it is noted that the minutes of board meeting of unlisted subsidiaries have not been placed before the Board of Directors of the Company.
12	**Reg. 24A:** Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex with its annual report, a Secretarial Audit Report, given by a Company Secretary in Practice, in such form as may be specified.	The Company has not undertaken Secretarial Audit for its material unlisted subsidiaries.
13	**Reg. 24A (2):** Every listed entity shall submit a Secretarial Compliance Report in such form as	The Compliance Certificate of the Company for Year ended March 31, 2021 was given by the Practicing

S. N.	Particulars	Remarks
	specified, to Stock Exchange(s), within 60 days from end of each financial year. As per **SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019:** Relaxation was granted by SEBI due to the CoVID -19 virus pandemic and the due date was extended from May 30, 2021 to June 30, 2021.	Company Secretary on July 2, 2021 which was beyond the stipulated time limit.
14	**Reg. 25(3):** Independent Director shall meet at least once in a year.	The meeting of the Independent Directors of the Company has not been held during the year.
15	**Reg. 25(7):** The listed entity shall familiarise the Independent Directors through various programmes about the listed entity.	The Company has not complied with this regulation during the year 2020-21.
16	**Reg. 25(8):** Every Independent Directors shall, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, submit a declaration that he meets the criteria of independence.	We have received the Disclosure dated April 01, 2020 of Mr. Anil Khanna's, Independent Director. Disclosure for all other Independent Directors of the Company was not provided to us for the Financial Year 2020-21.
17	**Reg. 27(2)(c):** The Quarterly Report on Corporate Governance shall be signed either by the Compliance Officer or the Chief Executive Officer of the listed entity.	The Company has a Chief Executive Officer but has not signed the quarterly reports on Corporate Governance for the FY 2020-21 and the same were signed by Chief Financial Officer of the Company. Thus, the said Report has not been signed by person authorised in the said Regulation.
18	**Reg. 46:** The listed entity shall disseminate prescribed information on its website.	The web address of the Company specified on Stock Exchange(s) is not accessible; Company has an alternate web address and the same does not include mandatory information prescribed in the said regulation; further in view of the above, we are unable to ascertain compliance with regard to updation in the content.
19	**Part D of Schedule V:** Declaration signed by the Chief Executive Officer stating that the members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct of Board of Directors and senior management.	A Declaration affirming the compliance with the code of conduct by the Board of Directors and senior management has been signed by Mr. Harish Kumar Mittal, Whole-Time Director of the Company. Thus, the declaration has not been signed by person authorised in the said Regulation.

*Note: In terms of Sub-Regulation (2A) and (2B) of Regulation 15 which came into effect vide SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, the provisions as specified in Regulations 17 to 21 shall not be applicable to the listed entity which is undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Further, as per the NCLT Order passed on February 8, 2021 the Company is under Corporate Insolvency Resolution Process. Thus, the provisions specified in Regulations 17 to 21 shall not be applicable to the Company only for the Quarter ended March 31, 2021.

For SHALINDER KAUR & ASSOCIATES
(COMPANY SECRETARIES)

SHALINDER KAUR SADDAL
Proprietor
ACS No.: A38893, CP No.: 24104
UDIN: A038893C000776003

Place: Mumbai
Date: August 12, 2021

Independent Auditor's Report

To The Members of Mercator Limited

Report on the Audit of Standalone Financial Statements

Adverse Opinion

We have audited the accompanying Standalone Financial Statements of Mercator Limited (hereinafter referred as "the Company"), which comprise the Balance Sheet as at March 31 2021, the Statement of Profit and Loss, [including Other Comprehensive Income], the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter(s) described in the 'Basis for Adverse Opinion' section of our report, the accompanying Standalone Financial Statements do not give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss [including other comprehensive income], its cash flows and the statement of changes in equity for the year ended on that date.

The Hon'ble National Company Law Tribunal, Mumbai (NCLT) has admitted the petition of Financial Creditors under Insolvency and Bankruptcy Code (IBC) 2016 (hereinafter referred as "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 have been suspended and such powers have been vested with Mr. Girish Siriram Juneja as the Resolution Professional (hereinafter referred as "RP"), by the NCLT vide its aforesaid order to manage the affairs of the Company as per the provisions of IBC.

Basis for Adverse Opinion

We draw attention to-

a. Note No. 3.24 of the Standalone Financial Statements, regarding preparation of the Financial Statements on a going concern basis. The Hon'ble NCLT has admitted the petition of the Financial Creditors vide its Order dated February 8, 2021 and proceedings under the IBC have been initiated on the company. Given the same, while the Company's financing arrangements have expired and substantial amounts have been recalled and are due and payable as on March 31, 2021, the same are under moratorium under the IBC Code. The Company has substantial investments and loans and advances receivable from subsidiary companies and other disputed receivables, which are not readily realizable to service the Company's current liabilities and the Company's net worth has also been fully eroded, along with inability to meet its current liabilities which substantially exceeds its current assets. The Company had substantially disposed-off its Property, Plant and Equipment and currently doesn't have operating revenues or operating assets. The ability to continue as a going concern would depend on the receipt of Resolution Plans and its acceptance by the Committee of Creditors (COC) and in the absence of the same we conclude that the going concern assumption has been vitiated. The Financial Results have however been prepared on a going concern basis by the management.

b. Note No. 3.25 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, of which Rs. 22.43 crore is still under verification/not filed with Resolution Professional (RP). We are unable to comment on the financial impact of the same on the financial statements of the Company.

c. Note No. 3.25, regarding interest or any other charges not being accrued in the books of accounts from the date of commencement of CIR process, i.e. 8th February, 2021 onwards, on account of moratorium under section 14 of Code.

d. Note No. 3.26, regarding the Company's investments in its wholly owned foreign subsidiary Mercator International Pte Ltd. (MIL) which was been impaired in full in the previous year amounting to Rs. 415.67 crore (excluding investment in equity shares – Rs. 0.29 crore) during the previous year. The significant investment of MIL is in its coal mines and related infrastructure in Indonesia and the valuation of these assets was conducted on December 31, 2020 by an independent valuer, and the same has been considered as on March 31, 2021. Further, we have been informed by the management that a liquidator has been appointed on MIL effective April 9, 2021 and also audited financial statement of MIL are not available with the Company. In view of the non – availability about the information about the fair value of assets and liabilities of MIL and the impact on the valuation had the same been done as on March 31, 2021, we are unable to comment on the value or recoverability of the said investment in subsidiary.

e. Note No. 3.05(iii) of the Standalone Financial Statements, regarding unprovided current tax demands under dispute to the tune of Rs. 63.18 crore pending at various judicial forums of the Income Tax department, which are treated as contingent liabilities. In the absence of the required supporting documents justifying the stand of

the Company we are unable to comment on final outcome of such assessments and the potential financial impact of the same.

f. Note No. 3.27 of the Standalone Financial Statements, regarding termination of Sagar Samrat Conversion Project (SSCP), undertaken by a material subsidiary Mercator Oil & Gas Ltd. (hereinafter referred as "MOGL" or "subsidiary"), by ONGC, which is currently under arbitration. The Company has investments in equity amounting to Rs. 0.15 crore, which stands fully impaired as on March 31, 2021 and loans amounting to Rs. 92.78 crore (which includes un-serviced interest amounting to Rs. 27.29 crore, excluding impairment of Rs. 35.70 crore), and the balance as per the financial results net of impairment amounts to Rs. 57.08 crore as at March 31, 2021 in MOGL, which in the view of the management is recoverable. Further, the unaudited financial statements/financial information available with the management / RP is not certified by the management of MOGL as on March 31, 2021. In view of the pending outcome of the arbitration and non–availability of substantive documentation about the expected recovery or the financial statements of the Company as on March 31, 2021, we are unable to comment on the recoverability of such investment and loan amount.

g. Note No. 3.28 of the Standalone Financial Statements, regarding the Company's investments in its material subsidiary Mercator Petroleum Ltd. (hereinafter referred to as "MPL") amounting to Rs. 47.93 crore, (excluding impairment of Rs. 16.17 crore during the year) and loan (including Debentures) given amounting to Rs. 114.26 crore (including un-serviced interest of Rs. 42.61 crore and excluding impairment of Rs. 6.05 crore) as on March 31, 2021, and the balance as per the financial statements including investments and loans amounts to Rs.130 crore, which are considered recoverable. MPL had entered into a Farm in Farm Out (FIFO) Agreement for sale of its participating interest in its oil block CB-ONN-205/9 (CB-9), subject to fulfillment of certain conditions, however the long stop date has expired and the same is no longer valid. Further, the petition filed in NCLT, Mumbai Bench by an operational creditor against MPL was admitted vide Order dated August 31, 2020 and an Interim Resolution Professional (IRP) has been appointed. As per the information and explanations provided to us and also basis the financial information available for the period ended March 31, 2021 (which are neither certified by the management or by the IRP of MPL nor audited), we are unable to obtain sufficient appropriate evidence about the recoverability of such investment and loan given.

h. Note No. 3.29 of the Standalone Financial Statements, regarding the fact that the Financial Statement / Financial Information of certain material subsidiaries / step – down subsidiaries are not available and for few which are available with management / RP has neither been reviewed by the auditor of the respective company nor has been certified by the management of the respective company. We are unable to obtain sufficient appropriate evidence about the recoverability of such investments and loans given.

i. Note No. 3.30, regarding balance confirmations not been received in respect of certain secured / unsecured loans, trade receivables, trade and other payables, and loans and advances as a result of which reconciliation process and consequential adjustments, if any, has not been carried out. The Company has adjusted / provided significant amounts basis its internal estimates, against which necessary supporting documentation has not been made available to us.

j. Note No. 3.31, the Company has failed to pay the installment due of the debentures on the due date and failed to pay the interest due thereon for a continuous period of more than a year. Hence, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion on the Standalone Financial Statements.

Emphasis of Matter

We draw attention to –

a. Note No. 3.33, regarding receivable from an insurance Company amounting to Rs. 54.28 crore pertaining to total loss claim on a vessel pertaining to the year 2012-13, which is under litigation and has been considered fully recoverable by the management and is supported by a legal opinion.

b. Note No. 3.20, regarding payments made by the promoter director by way of a settlement agreement with one of the unsecured lenders on behalf of the Company resulting in a net gain of Rs. 6.90 crore to the Company. The above amount settled by the promoter director with the unsecured lender along with other pending reimbursement has been adjusted towards the recovery of the excess remuneration drawn by him in earlier years u/s 197 of the Companies Act, 2013, which is supported by an expert opinion.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Adverse Opinion section, we have determined the matters described below to be key audit matters to be communicated in our report.

S. N.	Particulars	Remarks
1	**Provisions for Impairment of investments, Loans and advances, Receivables** Refer Note No. 2.3, 2.6 and 2.9 to the Standalone Financial Statements. The Gross Value of investments as on March 31, 2021 is Rs. 500.66 crore (total provision held Rs.437.01), of Loans and advances is Rs. 178.95 (total provision held Rs. 55.23) and of Receivables is Rs.16.32 (total provision held Rs.16.32). The Company has provided for an additional amount of Rs. 13.50 crore pertaining to impairment of loans and advances to its subsidiaries, during the year. This has been done basis evaluation conducted by the management and developments in its various lines of business during the year of its investments, loans and advances, receivables and payables. These items are material and non-recurring adjustments carried out in the Standalone Financial Statements basis management judgements and estimates requiring specific audit procedures to be conducted by us.	**Our Audit Approach** **Our audit approach was a combination of test of internal controls and substantive procedures which included the following:** 1. Gained an understanding the key controls operations around testing of recoverability of investments, loans and advances and receivables. 2. Obtained the list of investments, loans and advances and accounts with amounts that were impaired/ provided or written back along with the rationale for the same and appropriate approvals. 3. Read the Financial Statements / financial information available for these entities. 4. Held discussions with the management about the recoverability of the loans and also significant changes that has took place since last reporting. 5. Read the minutes of the Audit committee and Board of Directors approving the same. 6. Reviewed the work and relied on reports or evaluation by experts wherever applicable. 7. Tested on sample basis the correspondence and documentation relating to these provisions/ write backs, wherever available. We have assessed the appropriateness of provision based on the assumptions considered by the management and above-mentioned audit procedures conducted by us and elaborated our findings in "Basis for Adverse Opinion" and "Emphasis of Matter" section of our report. We have also reviewed whether appropriate disclosures are made in the Standalone Financial Statements.
2	**Provisions recognized and contingencies disclosed with regard to certain legal and tax matters** Refer Note 3.23 and 3.05 to the Standalone Financial Statements. The NCLT has admitted the petition of the Financial Creditors vide its Order dated February 8, 2021 and proceedings under the IBC have been initiated on the Company. Further, the Company is involved in several ongoing litigations including direct and indirect tax litigations. The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: We assessed the value of the provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondences with the authorities. We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.

S. N.	Particulars	Remarks
	management to make judgement and estimates in relation to the issues of each matter. In the absence of any opinion or advise of experts, the management has estimated the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. The Company recognizes a provision when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. We have identified litigations, provisions and contingencies as a key audit matter because it requires the management to make judgements and estimates in relation to the exposure arising out of litigations. The key judgement lies in the estimation of provisions where they may differ from the future obligations.	We have also discussed with the management significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the financial statements. We have assessed the appropriateness of assumptions considered by the management and above-mentioned audit procedures conducted by us and elaborated our findings in "Basis for Adverse Opinion". We have also reviewed whether appropriate disclosures are made in the Standalone Financial Statements.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of the Management for the Standalone Financial Statements

The Company's Board of Directors and RP are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND-AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and RP are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors and RP are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are elaborated in the 'Basis of Adverse Opinion' section of our report, and are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatement in the statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the statement may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the statement.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and except for the possible effects of the matters described in the Basis for Adverse Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;

(d) Due to the matters described in the Basis for Adverse Opinion paragraph above, in our opinion, the aforesaid Standalone Financial Statements do not comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matters described in the Basis for Adverse Opinion

paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

(f) On the basis of the written representations received on email (due to nationwide lockdown), by the Company from the directors as on March 31, 2021 none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act. However, considering the fact, that the Company has defaulted in repayment of Non – Convertible Debentures, in our opinion, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.

(g) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion paragraph above;

(h) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report; which expresses an adverse opinion on the adequacy of and operating effectiveness of the Company's internal financial controls for the reasons stated therein.

(i) In our opinion, and to the best of our information and according to the explanations given to us, the Company has not paid or provided for any managerial remuneration for the year under audit. In respect to excess managerial remuneration paid or provided during preceding years, we draw reference to our comments in para (b) under the "Emphasis of Matter" section.

(j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note No. 3.05 to the Standalone Financial Statements;

ii. The Company did not have any material long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Singhi & Co.
Chartered Accountants
ICAI Firm Registration Number: 302049E

S. Chandrasekhar
Partner
Membership Number: 007592

Place: Mumbai
Date: June 23, 2021
UDIN No: 21007592AAAAAN2536

Annexure A to the Independent Auditor's Report

Annexure A referred to in paragraph 1 of the Independent Auditors Report of even date to the members of Mercator Limited (the "Company") in the Standalone Financial Statements as of and for the year ended March 31, 2021 under the heading "Report on other Legal and Regulatory requirements".

i. In respect of the Company's Property, Plant & Equipment:

   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) As per the information and explanations provided to us, no physical verification of fixed assets of the Company has been done during the year. Hence, we are unable to comment on the reasonableness on the periodicity of such activity and any impact on the Standalone Financial Statements.

   (c) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the title deeds of the immovable properties included in fixed assets are held in the name of the Company. However, the office premise of the Company was charged to the lender of Mercator Petroleum Limited and the Company has received possession notice u/s 13 (4) of Securitization and Reconstruction of Financial Assets and read with Rule 8 of Enforcement of Security Interest (Second) Act, 2002, wherein the symbolic possession of the office premises has been obtained by the said, lender on September 9, 2020.

ii. As per the information and explanations given to us, the Company doesn't hold any inventory as on March 31, 2021. Accordingly, provisions of the paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has granted loans, secured or unsecured to Body Corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'):

   a. In our opinion, the rate of interest and other terms and conditions on which loans had been granted to the bodies corporate listed in the register-maintained u/s 189 of the Act were not, prima facie, prejudicial to the interest of the Company at the time these were granted. The Company has however impaired Rs. 13.50 crore during the year towards the loans granted in earlier period and interest thereon.

   b. According to the information and explanations given to us, in case of the loans granted to the body corporate listed in register-maintained u/s 189 of the Act, these loans are repayable on demand, which have not been recalled and hence we are unable to comment on whether the repayment of principal or interest amounts are regular.

   c. As the loans granted are repayable on demand and according to the information and explanations given to us have not been recalled, we are unable to comment on whether any amounts are overdue in respect of the loans granted to a body corporate listed in the register-maintained u/s 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Companies Act, 2013, with respect to Loans and Advances made, guarantee given and investments made. However, since the Company has impaired substantial part of its investments and loans and advances, hence the interest accrued on such loans and advances has been impaired on account of threat of recoverability.

v. According to the information and explanations gives to us, the Company has not accepted any deposit from the public within the meaning of section 73 to 76 of the Act and Rules framed thereunder to the extent notified. Therefore, the provisions of clause (v) of the Order is not applicable.

vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of Cost Records by the Company u/s 148 (1) of the Companies Act 2013.

vii. According to the information and explanations given to us, in respect of Statutory dues:

   (a) Basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Goods and Service Tax, Cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.

   (b) Basis of our examination of the records of the Company, there are no undisputed amounts payable which are deducted/accrued in the books of accounts in respect of Provident Fund, Employees' State Insurance, Income Tax, and any other statutory dues which were outstanding, at March 31, 2021 for a period of more than six months from the date they become payable except as under:

Name of the Statute	Nature of Dues	Amount (Rs in crore)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Goods and Service Tax (Various States)	CGST / SGST / IGST	11.98 (excluding Input Tax redit)	May 2018 to September 2020	Various due dates	Not paid until date of Signing of Financial Statements	
GST (Tax Collected at Source)	GST TDS	0.17	October 2018 to March 2020	Various due dates	Not paid until date of Signing of Financial Statements	
Income tax (Tax Collected at Source)	TCS	0.05	Nov-19	Various due dates	Not paid until date of Signing of Financial Statements	
Service Tax	Service Tax	3.80 (excluding Input Tax Credit)	August 2010 to August 2019	Various due dates	Not paid until date of Signing of Financial Statements	
Withholding Tax	TDS	0.02		Various due dates	Not paid until date of Signing of Financial Statements	

(c) According to the information and explanations given to us, the dues of, Income Tax, Service Tax and Cess which have not been deposited on account of any dispute and the forum where the dispute is pending as on March 31, 2021 are as under:

Name of the Statue	Nature of Dues	Amount (Rs. in crore)	Period to which the amount relates	Forum where the disputes are pending
Service Tax under Finance Act, 1994	Service Tax	64.03	2006-07 to 2015-16	CESTAT & CCE(A), Mumbai
Income Tax	Income Tax	0.44	AY 2003 – 04	Commissioner of Income Tax (A)
		4.16	AY 2007 – 08	ITAT
		23.63	AY 2008 – 09	ITAT
		12.22	AY 2009 – 10	ITAT
		0.54	AY 2010 – 11	ITAT
		2.74	AY 2011 – 12	ITAT
		1.55	AY 2012 – 13	ITAT
		4.36	AY 2013 – 14	ITAT
		4.29	AY 2014 – 15	ITAT
		9.25	AY 2015 – 16	Commissioner of Income Tax (A)

viii. Based on our audit procedures and as per the information and explanations provided to us, the Company has defaulted in repayment of loans or borrowings to financial institutions, banks or government including interest thereon.

A) Defaults in repayment of loans or borrowings and Interest thereon:

Sr.	Name of Lender	Borrowings		InterestNo	
		Amount (Rs. in Crore)	Period (in days)#	Amount (Rs. In Crore)	Period (in days)#
Long Term					
1	Axis Bank Limited	224.82	679	43.96	Ranging between 91- 679 days
2	Export and Import Bank of India	61.70	569	6.71	313
3	ICICI Bank Limited	186.48	679	41.21	679
4	AION Direct Private Limited	116.58	313	18.89	614
5	UTI Capital Private Limited	147.57	313	168.75	712
Short Term					
6	ICICI Bank Limited	3.06	444	4.53	679
7	Other Financial Lenders #	20.50	679	9.69	679
8	State Bank of India	165.96	Ranging between 640- 649 days	61.43	Ranging between 640- 649 days
9	Yes Bank Limited	20	456	8.13	314

Defaults w.r.t loan from various NBFCs / Financial Institutions have been consolidated under "Other Financial Lender" and not disclosed case wise.

#Period of default has been computed up to the Insolvency Commencement Date (ICD) i.e. February 8, 2021 as these dues are under moratorium as per section 14 of Insolvency and bankruptcy code 2016.

ix. In our opinion and according to the information and explanations given to us no amounts are raised by way of initial public offer or further public offer and term loan during the year and thus reporting under paragraph 3 (ix) relating to utilization of the same is not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during year nor have been informed of any such case by the Management.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid or provided for any managerial remuneration for the year under audit. In respect to excess managerial remuneration paid or provided during preceding years, we draw reference to our comments in para (b) under "Emphasis of Matter" of the main report.

xii. The Company is not a Nidhi Company, hence the provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii. Based on our audit procedures and as per the information and explanations given by the management, transactions as per books of account with related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details of such related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of the paragraph 3(xiv) of the order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Singhi & Co.
Chartered Accountants
ICAI Firm Registration Number: 302049E

S. Chandrasekhar
Partner
Membership Number: 007592

Place: Mumbai
Date: June 23, 2021
UDIN No: 21007592AAAAAN2536

Annexure - B to The Independent Auditor's Report

(Referred in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the financial statements of MERCATOR LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the financial statements

A Company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to the financial statements includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to The Financial Statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial

controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ADVERSE OPINION

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial control with reference to the financial statements as at March 31, 2021:

a) The Company did not have adequate internal financial controls to test and assess the fundamental going concern assumption, basis which the Standalone Financial Statements have been prepared. This control deficiency has a pervasive impact on the control framework of the Standalone Financial Statements.

b) The Company did not have appropriate internal control systems –

- for maintaining documentation, review and impairment related to the advances given and outstanding and
- for obtaining confirmations and reconciliation of balances of trade receivables, trade and other payables and loans and advances,
- for the documentary evidence with respect to the provision / adjustments created during the year on the investments, loans, advances and receivable balances accounted by the Company,
- for the documentary evidence with respect to the on – going litigations including tax matter.

which could potentially result in the Company carrying advances/ assets at either higher or lower amounts than what may be appropriate.

c) The Company did not provide any evidence of conducting a test of design or an operating effectiveness test of its controls. This control deficiency has a pervasive impact on the financial controls of the entity.

A material weakness is a deficiency, or a combination of deficiencies, in internal financial controls with reference to the financial statements, such that there is a reasonable possibility that a material misstatement of the Company's Standalone Financial Statements will not be prevented or detected on a timely basis.

In our opinion, because of the effects of the material weaknesses described above, the Company has not maintained, adequate and effective internal financial controls with reference to the financial statements as of March 31, 2021, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature timing and extent of audit tests applied in our audit of March 31, 2021 standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For Singhi & Co.
Chartered Accountants
ICAI Firm Registration Number: 302049E

S. Chandrasekhar
Partner
Membership Number: 007592

Place: Mumbai
Date: June 23, 2021
UDIN No: 21007592AAAAAN2536

Standalone Balance Sheet

as at March 31, 2021

₹ in crore

	Particulars	Note	As at March 31, 2021	As at March 31, 2020
A	**ASSETS**			
1	**Non- Current Assets**			
	(a) Property, Plant and Equipment	2.1	7.91	16.85
	(b) Investment Property	2.2	-	-
	(c) Financial assets			
	(i) Investments	2.3	63.65	63.65
	(ii) Loans	2.4	1.61	1.40
	(iii) Other Financial Assets	2.5	0.03	0.03
	(d) Other Non Current Assets	2.6	-	-
	(e) Income Tax Assets (net)		54.83	75.58
	Total Non-Current Assets		**128.03**	**157.51**
2	**Current Assets**			
	(a) Financial Assets			
	(i) Trade Receivables	2.7	41.78	45.95
	(ii) Cash and Cash Equivalents	2.8(i)	1.51	0.86
	(iii) Bank Balances other than (ii) above	2.8(ii)	5.15	0.16
	(iv) Loans	2.9	123.72	120.19
	(v) Other Financial Assets	2.10	64.16	59.35
	(b) Other Current Assets	2.11	36.05	13.50
	(c) Non Current Assets classified as Asset Held for Sale		-	36.68
	Total Current Assets		**272.37**	**276.69**
	TOTAL ASSETS		**400.40**	**434.20**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share Capital	2.12	30.25	30.25
	(b) Other Equity	2.13	(1,014.64)	(801.51)
	Total Equity		**(984.39)**	**(771.26)**
2	**Non - Current Liabilities**			
	(a) Financial Liabilities			
	(i) Other Financial Liabilities	2.15	0.03	0.03
	Total Non-Current Liabilities		**0.03**	**0.03**
3	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	2.16	225.36	219.57
	(ii) Trade Payables	2.17		
	- total outstanding dues of micro enterprises and small enterprises		0.35	0.35
	- total outstanding dues of creditors other than micro enterprises and small enterproses		43.11	47.70
	(iii) Other Financial Liabilities	2.14 & 2.18	1,106.12	927.50
	(b) Other Current Liabilities	2.19	9.63	10.12
	(c) Provisions	2.20	0.19	0.19
	Total Current Liabilities		**1,384.76**	**1,205.43**
	Total Liabilities		**1,384.79**	**1,205.46**
	TOTAL EQUITY AND LIABILITIES		**400.40**	**434.20**
Basis of Preparation & Significant Accounting Policies		1		
The accompanying notes are an integral part of the financial statements				

As per our report of even date
For Singhi & Co.
Chartered Accountants
Firm registration No: 302049E

S. Chandrasekhar
Partner
Membership No : 007592
Place: Mumbai
Date: June 23, 2021

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Rajendra Kothari
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: June 23, 2021

Statement of Profit and Loss

for the year ended March 31, 2021

₹ in crore

	Particulars	Note	Year Ended March 31, 2021	Year Ended March 31, 2020
	CONTINUING OPERATIONS			
	INCOME			
	(a) Revenue from Operations	2.21	6.85	132.16
	(b) Other Income	2.22	33.65	19.01
1	**Total Revenue**		**40.50**	**151.17**
	EXPENSES:			
	(a) Operating Expenses	2.23	14.78	94.85
	(b) Employee Benefit Expenses	2.24	2.88	9.23
	(c) Finance Costs	2.25	210.12	220.13
	(d) Depreciation and Amortisation expenses	2.1	0.12	41.05
	(e) Impairment	2.26	11.64	41.04
	(f) Loss on Sale / Discard of Assets	2.27	2.26	233.43
	(g) Other Expenses	2.28	2.47	51.29
2	**Total Expenses**		**244.27**	**691.02**
3	**Profit/(loss) before exceptional items and tax from continuing operations (1 - 2)**		**(203.77)**	**(539.85)**
4	Less: Exceptional Items		-	(485.47)
5	**Profit/(loss) before tax from continuing operations (3- 4)**		**(203.77)**	**(1,025.32)**
6	**Tax expense:**			
	(a) Current tax	2.29	-	(0.45)
	(b) Deferred Tax		-	-
	(c) Excess/(Short) provision of earlier years	2.29	(9.35)	-
	Profit/(Loss) for the period from continuing operations(5 - 6)		**(213.12)**	**(1,025.77)**
7	**Other comprehensive income**			
	Items that will not be reclassified to Statement of Profit and Loss			
	(a) Remeasurements of defined employee benefit plans		-	0.63
8	**Total Loss for the year**		**(213.12)**	**(1,025.14)**
9	**Earnings per share (Equity share of INR 1/- Each)**			
	Basic (In INR)	3.01	(7.05)	(33.91)
	Diluted (In INR)		(7.05)	(33.91)
	Basis of Preparation & Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements			

As per our report of event date
For Singhi & Co.
Chartered Accountants
Firm registration No: 302049E

S. Chandrasekhar
Partner
Membership No : 007592
Place: Mumbai
Date: June 23, 2021

For and on behalf of the Board

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

Place: Mumbai
Date: June 23, 2021

Statement of Cash Flow

for the year ended March 31, 2021

₹ in crore

	Particulars	Note	Year Ended March 31, 2021	Year Ended March 31, 2020
A	**Cash Flow from Operating Activities**			
	Net Profit / (Loss) before taxes		(203.77)	(1,025.32)
	Adjustment for:			
	Depreciation and Amortisation		0.12	41.05
	Provision for doubtful debts/advances		-	38.00
	Credit balances written back		(7.71)	(4.75)
	Finance Costs		210.12	220.13
	(Profit)/Loss on sale / discard of Property, Plant and Equipment (net)		2.26	233.43
	Impairment of Investments and loans to subsidiaries (Exceptional items in previous year)		13.50	485.47
	(Reversal of Impairment) Impairment of Property, Plant and Equipment		(1.86)	41.04
	Expenses related to sale of Fixed assets		3.14	-
	Notional Income on Corporate guarantee		-	(0.07)
	Interest income		(12.15)	(12.96)
	Remeasurements of net defined benefit plans		-	0.63
	Unrealised foreign exchange (gain) /loss (Net)		(13.39)	12.11
	Operating profit before Working Capital changes		**(9.74)**	**28.76**
	Adjustment for:			
	Decrease/(Increase) in Inventories		-	3.74
	Decrease/(Increase) in Other Financials and Current Assets		8.60	23.88
	Decrease/(Increase) in Trade receivables		4.17	(4.93)
	(Decrease)/Increase in Provisions		(0.00)	(1.58)
	(Decrease)/Increase in Trade payables		(3.97)	(41.97)
	(Decrease)/Increase in Other current liabilities		(1.49)	(12.51)
	Net Cash from Operating Activities		**(2.43)**	**(4.61)**
	Direct taxes paid (Net of refund)		10.29	12.84
	Total cash from / (used in) operating activities		**7.86**	**8.23**
B	**Cash Flow from Investing Activities**			
	(Increase) / Decrease in Capital Advances		(1.96)	2.47
	Proceeds from Sale of Fixed Assets		6.00	81.52
	Loan realisation from / (given) to Subsidiaries		(4.88)	4.05
	(Purchase) / Sale of Investments		-	(1.67)
	Bank deposits (Placed) / redeemed with banks (Net)		(5.00)	14.98
	Interest Received		-	2.28
	Net Cash from Investing Activities		**(5.84)**	**103.63**
C	**Cash Flow from Financing Activities**			
	Proceeds from Borrowings		3.06	79.18
	Repayment of Borrowings		(4.43)	(139.70)
	Interest paid		-	(57.90)
	Net Cash from Financing Activities		**(1.37)**	**(118.42)**
	Net Increase / (decrease) in cash and cash equivalents (A + B + C)		**0.65**	**(6.56)**
	Cash and Cash Equivalents as at beginning of the year		0.86	7.42
	Cash and Cash Equivalents as at end of the year		**1.51**	**0.86**
	Cash and Cash equivalent		1.51	0.86

Statement of Cash Flow (Contd..)

for the year ended March 31, 2021

Notes:

1 The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 , 'Statement of Cash Flows".

2 Cash and cash equivalents include Unclaimed Dividend accounts of INR Nil (Previous Year INR Nil) which are not available for use by the company.

3 The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balance held in unpaid dividend bank accounts.

4 Reconciliation of changes in liabilities arising from financing activities including both changes arising from cash flows and non cash changes as per the requirement of Ind AS 7 :

₹ in crore

PARTICULARS	As at April 1, 2020	Cash Flows (Net)	Non - Cash Changes			As at March 31, 2021
			Foreign Exchange Movement	Other non cash movements/ Reclassification	Amortized Cost (including premium on redemption of NCD)	
Non Convertible Debenture (NCD)	139.72	-	-	-	7.85	147.57
Rupee Term loan from Bank	-	-	-	-	-	-
Foreign currency term loan from Bank	434.15	(3.01)	(7.51)	4.25	-	427.88
External Commercial Borrowing	46.70	-	(1.54)	(0.02)	-	45.14
Foreign Currency Convertible Bonds (FCCB)	120.61	-	(3.98)	(0.05)	-	116.58
Rupee Term loan from Financial Institution	27.17	(1.00)	-	(7.21)	-	18.96
Rupee Term loan from others	15.42	-	-	3.44	-	18.86
Working capital Loan	100.62	2.64	-	7.92	-	111.18
Rupee Short Term loan form Banks	77.86	-	-	-	-	77.86
Total	**962.25**	**(1.37)**	**(13.03)**	**8.33**	**7.85**	**964.03**

PARTICULARS	As at April 1, 2019	Cash Flows (Net)	Non - Cash Changes			As at March 31, 2020
			Foreign Exchange Movement	Other non cash movements/ Reclassification	Amortized Cost (including premium on redemption of NCD)	
Non Convertible Debenture (NCD)	135.54	(3.55)	-	(5.54)	13.27	139.72
Rupee Term loan from Bank	0.33	(0.33)	-	-	-	-
Foreign currency term loan from Bank	442.13	(8.08)	22.99	(22.89)	-	434.15
External Commercial Borrowing	120.26	(77.82)	3.85	0.41	-	46.70
Foreign Currency Convertible Bonds (FCCB)	108.74	-	9.94	1.93	-	120.61
Rupee Term loan from Financial Institution	35.28	-	-	(8.11)	-	27.17
Rupee Term loan from others	7.71	-	-	7.71	-	15.42
Working capital Loan	79.96	(7.52)	-	28.18	-	100.62
Rupee Short Term loan form Banks	266.34	(0.00)	-	(188.48)	-	77.86
Total	**1,196.29**	**(97.30)**	**36.78**	**(186.79)**	**13.27**	**962.25**

5 Other Non cash movement" includes invocation of Letter of Comfort in previous year and subsequent realisation by way of sale of assets by subsidiary Company (Refer note 3.34), IND AS movement and accrual of redemption premium.

6 Previous Year's figures have been regrouped wherever necessary to conform to the current year's classification

Basis of Preparation & Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Singhi & Co.
Chartered Accountants
Firm registration No: 302049E

S. Chandrasekhar
Partner
Membership No : 007592
Place: Mumbai
Date: June 23, 2021

For and on behalf of the Board

H. K. Mittal
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(DIN:00007690)

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Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: June 23, 2021

Statement of Changes in Equity

for the year ended March 31, 2021

(a) Equity Share Capital

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of reporting period	30.25	30.25
Add: Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting period	**30.25**	**30.25**

(b) Other Equity

₹ in crore

PARTICULARS	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Debenture Redemption Reserve	Retained Earnings	General Reserve	Tonnage Tax Reserve	Foreign Currency Monetary Item Translation Difference Account	Deemed Equity Component	Other Comprehensive Income Actuarial Gain (Loss) on Defined Benefit Obligation	Total
Balance at April 1, 2019	**42.89**	**40.00**	**590.75**	**25.00**	**(643.15)**	**167.62**	**-**	**(0.99)**	**0.36**	**0.16**	**222.64**
Profit / (Loss) for the Year	-	-	-	-	(1,025.77)	-	-	-	-	-	(1,025.77)
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	0.63	0.63
	42.89	**40.00**	**590.75**	**25.00**	**(1,668.92)**	**167.62**	**-**	**(0.99)**	**0.36**	**0.79**	**(802.50)**
Increase /(decrease) during the year	-	-	-	-	-	-	-	0.99	-	-	0.99
Balance at March 31, 2020	**42.89**	**40.00**	**590.75**	**25.00**	**(1,668.92)**	**167.62**	**-**	**-**	**0.36**	**0.79**	**(801.51)**
Balance at April 1, 2020	**42.89**	**40.00**	**590.75**	**25.00**	**(1,668.92)**	**167.62**	**-**	**-**	**0.36**	**0.79**	**(801.51)**
Profit / (Loss) for the Year	-	-	-	-	(213.12)	-	-	-	-	-	(213.12)
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-
	42.89	**40.00**	**590.75**	**25.00**	**(1,882.04)**	**167.62**	**-**	**-**	**0.36**	**0.79**	**(1,014.63)**
Increase /(decrease) during the year	-	-	-	-	-	-	-	(0.01)	-	-	(0.01)
Balance at March 31, 2021	**42.89**	**40.00**	**590.75**	**25.00**	**(1,882.04)**	**167.62**	**-**	**(0.01)**	**0.36**	**0.79**	**(1,014.64)**

As per our report of even date
For Singhi & Co.
Chartered Accountants
Firm registration No: 302049E

S. Chandrasekhar
Partner
Membership No : 007592
Place: Mumbai
Date: June 23, 2021

For and on behalf of the Board

H. K. Mittal
Whole-time Director
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Jagmohan Talan
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Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: June 23, 2021

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

1. Basis of Preparation and Significant Accounting Policies

Corporate Information:

Mercator Limited (the "Company") is a public limited Company registered in India under the provisions of the Companies Act, 2013. Its shares are listed on the Bombay Stock Exchange and the National Stock Exchange of India. In addition to that, Foreign Currency Convertible Bonds (FCCB) of the Company is listed on debt segment of Singapore Stock Exchange (SGX).

A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code,2016 ('Code'). Pursuant to the order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who had been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC).

1.1 Basis for Preparation

The standalone financial statements of Mercator Limited ("the Company") have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'IND-AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting generally accepted in India.

Items included in the IND-AS financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's IND-AS financial statements are presented in Indian Rupee (INR), which is also the Company's functional and presentation currency. All amounts in these IND-AS financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in crore.

The standalone financial statements of Mercator Limited (hereinafter referred as "the Company") for the year ended March 31, 2021 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors chaired by the Resolution Professional (RP) held on June 23, 2021. The said standalone financial statements of the Company have been prepared by the management of the Company and certified by the Directors and Chief Financial Officer of the Company. The RP has relied upon the assistance provided by the members of the Audit Committee in review of the financial statements and certifications, representations and statements made by Directors of the Company in relation to these financial statements. As authorized, Directors and Chief Financial Officer of the Company have signed the financial statements and the RP has taken on record the said financial statements only to the limited extent of 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.

1.2 Historical cost convention

The IND-AS financial statements have been prepared on a historical cost convention, except for the following–

1. Certain financial assets and liabilities including derivative instruments are measured at fair value.
2. Assets held for sale- measured at fair value less costs to sell
3. Defined benefit plans- plan assets measured at Fair value.

1.3 Use of estimates

The preparation of the IND-AS financial statements in conformity with the recognition and measurement principles of the IND-AS that requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at date of financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the IND-AS financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Critical estimates and judgements

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the IND-AS financial statements.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

The major areas involving critical estimates or judgement are:

- Estimation of Defined benefit obligation – refer note 3.03
- Estimation of current tax expenses and Payable – refer note 3.13
- Scrap Value and Useful lives of property, plant and equipment –refer note 1.6
- Impairment of property, plant and equipment – refer note 1.7
- Impairment of Investments, Loans and Advances and Current Assets.
- Provisions for litigations, insurance claim receivables and claim of underperformance by client.

Estimation of uncertainties relating to the global health pandemic from Covid-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.4 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

All the assets and liabilities have been classified as current/non-current, as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

Based on the nature of services rendered by the Company and the normal time between the rendering of the services and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.5 Foreign Currency translation

(i) **Functional and presentation currency**

The Company's IND-AS financial statements are presented in Indian Rupee (INR), which is also the Company's functional and presentation currency.

(ii) **Transactions and balances**

Transactions in foreign currency are recorded at functional currency using the exchange rate at the date of accounting of the transaction. Non-monetary items, which are measured in terms of historical costs denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the year-end are translated at closing rates. The difference in translation of long term monetary assets acquired and liabilities incurred prior to April 1, 2016 and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset; and in other cases, accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset / liability by recognition as income or expense. The difference in translation of all other monetary assets and liabilities and realised gains and losses on other foreign currency transactions are recognised in the Statement of Profit and Loss. They are deferred in Other Equity, if they relate to qualifying cash flow hedges. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or profit or loss are also recognised in Other Comprehensive Income or profit or loss, respectively). Exchange differences relating to Long term foreign currency monetary items incurred prior to April 1, 2016 are accounted in terms of para D13AA of Ind- AS 101 as under:

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

a. In so far as they relate to the acquisition of a depreciable capital asset, such differences are added to/deducted from the cost of such capital asset and depreciated over the balance useful life of the asset

b. In other cases, such differences are accumulated in "Foreign currency Monetary Items Translation differences account" and amortised in the statement of Profit and loss over the balance useful life of the long-term foreign currency monetary item.

1.6 Property, Plant and Equipment and Depreciation

Free hold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure including exchange difference capitalised as per para 1.5 (ii) above, brokerage and start-up costs on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Capital work-in-progress

Cost of assets not ready for intended use as on the balance sheet date, is shown as Capital work-in-progress.

Capital work-in-progress and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Dry docks are considered as component of fleet with estimated useful lives different than the main component of fleet. Cost relating to dry dock which is mandatorily required to be carried out as per the Classification Rules and Regulations is recognized in the carrying amount of ship and is depreciated/ amortised over 2.5 years. On transition to IND-AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and equipment.

Depreciation on property, plant and equipment is provided to the extent of depreciable amount on the Written Down value (WDV) method, except in case of Vessels, where depreciation is provided on Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of Vessels, where useful life is considered as under based on technical evaluation or year of built:

Tankers, Dry Bulk carriers, Cutters, Dredgers 25 years except for two dredgers considered as 42 years and 60 years. For Gas Carriers, age considered is 30 years.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Residual value in case of vessels is estimated based on the closing rate for steel / metal rate published on London Metal Exchange (LME).

Assets costing less than Rs. 25,000/- are fully depreciated in the year of capitalisation.

Intangible Assets and Amortization

Intangible assets are stated at acquisition cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over the estimated useful lives.

1.7 Impairment of non-financial assets

Non-financial assets other than inventories and non-current assets held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of asset's or Cash-Generating Units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

and the impairment loss, if any, is recognized in the statement of profit and loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

1.8 Investment Property

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP. IND-AS financial statements as deemed cost at the transition date, viz., 1 April 2015.

Investment Property is property (land or a building or a part of a building) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over 30 years from the date of original purchase.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

1.9 Assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

Property, plant and equipment classified as held for sale are not depreciated.

1.10 Investment in subsidiaries

Non-current Investments in equity shares and preference shares in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

1.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company recognises revenue when the specific criteria have been met for each of the Company's activities as described below:

a) Cargo Handling

Where loading of the cargo is not completed before the close of the year, revenue is not recognized, and the corresponding expenses are also carried forward to the next year.

b) Charter Hire Income

Income from charter hire and demurrage earnings is recognized on accrual basis as per the terms of agreement.

c) Voyage Charter

Revenue from voyage charters is recognised as income, by reference to the voyage progress on load-to-discharge basis, which has been assessed by management to be an appropriate measure of progress towards complete satisfaction of the performance obligations over time under IND-AS 115. Judgement is involved in estimating days to reach the load port and discharge port destinations impacting the calculation of income to be accrued for incomplete voyage.

d) Dividend Income

Dividend on investments is recognised when the right to receive the same is established.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

e) Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate.

f) Insurance Claims

Claims including insurance claims are accounted when there is a reasonable certainty of the realisation of the claim amount.

g) Income from other services is accounted on accrual basis as per the terms of the relevant agreement.

h) Vessel Demurrage income due as per contractual terms is recognized. A provision on estimated basis is made towards deduction from demurrage based on past experience of settlements.

1.12 Operating Expenses

a) Fleet direct operating expenses are charged to the Statement of Profit and Loss on accrual basis.

b) Bunker consumption cost, which is part of direct operating expenses, is charged to the Statement of Profit and Loss on consumption.

c) Stores and spares delivered on board the ships are charged to the Statement of Profit and Loss.

1.13 Inventories

Inventories of Bunker and Lubes on vessels are valued at the lower of cost and Net Realisable Value ascertained on First in First out basis. The cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

1.14 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly. The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received. The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any. The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is re-measured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in Profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of an optionally convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the Bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument, this is recognised and included in shareholder's equity, net of income tax effect, and not subsequently re-measured.

The borrowings are removed from the Balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash asset transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability of at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

1.16 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use for sale. All other borrowing costs are expensed in the period in which they occur.

1.17 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market that can be accessed by the Company for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the IND-AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the IND-AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.18 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit and loss.

Debt instruments at amortised cost

Debt instruments such as trade and other receivables, security deposits and loans given are measured at the amortised cost if both the following conditions are met:

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- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income. However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. However, currently the Company does not have any financial instruments in this category.

Equity investments

All equity investments in scope of IND-AS 109 are measured at fair value. Equity instruments which are held for trading are classified at FVTPL.

For all other equity instruments, the Company decides to classify the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income to Statement Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit or loss.

De- recognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVTOCI) and equity instruments (measured at FVTPL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVTOCI and that are accumulated in are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVTOCI that are recognized and accumulated in Other Comprehensive Income are not reclassified to profit or loss on de-recognition.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets measured at fair value through other comprehensive income.

In case of other assets (listed as a) above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition.

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B) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IND-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial liabilities at amortized cost

Financial liabilities classified and measured at amortized such as loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C) Financial guarantee obligation

The Company's investments include the effect of notional income from financial guarantee obligations.

D) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instrument is initially recognised at fair value on the date on which derivative contract is entered into and is subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken through other comprehensive income.

E) Foreign currency convertible bonds (FCCBs)

FCCBs are separated into liability and equity components based on the terms of the contract. On issuance of the FCCBs, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets IND-AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the FCCBS based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

1.19 Employee Benefits

a) Short – term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognised at actual amounts due in the period in which the employee renders the related service.

b) Post – employment benefits

i. Defined Contribution Plans

Payments made to defined contribution plans such as Provident Fund are charged as an they accrue.

ii. Defined Benefit Plans

The cost of providing benefit i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuation carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

c) Other Long – term employee benefits

Other Long – term employee benefit viz. leave encashment is recognised as an expense in the other comprehensive income as it accrues. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date.

Actuarial gain / loss, comprising of experience adjustments and the effects of changes in actuarial assumptions is recognized in the Statement of Other Comprehensive Income except for Long-term compensated absences where the same is immediately recognized in the Statement of Profit and Loss.

1.20 Cash and Cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents includes cash in hand and at bank in current and foreign currency accounts, deposit held at call with financial institution, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Fixed deposit having residual maturity up-to twelve months from the reporting period is considered as part of bank balances other than cash and cash equivalent. Fixed deposit with residual maturity more than twelve months from reporting period is classified under other non-current assets. Bank Overdrafts are shown within borrowings in current liabilities in Balance sheet.

1.21 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.22 Taxes on Income

Tax expenses comprise both current and deferred tax.

(a) Current tax

Current tax is the amount of tax payable as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Company and tax payable on other taxable income for the year determined in accordance with section 115VG (3) of chapter XII-G of the Income, Tax Act, 1961.

(b) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set and presented as net.

Further, the Company is paying taxes on the basis of deemed tonnage income, hence there is no impact on deferred tax.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

(c) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

1.23 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation for which a reliable estimate of the amount can be made. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the IND-AS financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset. Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

1.24 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit /(loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.25 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments in Division II (applicable to the Company) of Schedule III, primarily relate to:

a) Change in existing presentation requirements for certain items in Balance sheet, for example :- lease liabilities, security deposits, current maturities of long-term borrowings, effect of prior period errors on Equity Share capital

b) Additional disclosure requirements in specified formats, for example: - ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters, etc.

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.

d) Additional Regulatory Information, for example:- compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel, etc.

e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The amendments are extensive and the Company is evaluating the same.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

2.1 Property, Plant and Equipment

₹ in crore

PARTICULARS	Cost					Depreciation / Impairment						Net Block	
	As at April 1, 2020	Reclassi-fication	Addition	Disposal/ Adjust-ments	As at March 31, 2021	As at April 1, 2020	Reclassi-fication	Addition	Impair-ment	Disposal/ Adjust-ments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Freehold Land	0.11	-	-	-	0.11	-	-	-	-	-	-	0.11	0.11
Office Premises	1.62	-	-	-	1.62	0.78	-	0.11	-	-	0.89	0.73	0.84
Vessels	127.05	-	-	72.56	54.49	111.24	-	-	-	63.78	47.46	7.03	15.81
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	0.05	-	-	0.04	0.01	0.01	-	-	0.00	-	0.01	-	0.04
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	0.20	-	-	-	0.20	0.15	-	0.01	-	-	0.16	0.04	0.05
Total	**129.03**	**-**	**-**	**72.60**	**56.43**	**112.18**	**-**	**0.12**	**0.00**	**63.78**	**48.52**	**7.91**	**16.85**

PARTICULARS	Cost					Depreciation / Impairment						Net Block	
	As at April 1, 2019	Reclassi-fication	Addition	Disposal/ Adjust-ments	As at March 31, 2020	As at April 1, 2019	Reclassi-fication	Addition	Impair-ment	Disposal/ Adjust-ments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Freehold Land	0.11	-	-	-	0.11	-	-	-	-	-	-	0.11	0.11
Office Premises	-	1.62	-	-	1.62		0.69	0.09	-	-	0.78	0.84	
Vessels	912.55	-	5.47	790.97	127.05	461.29	-	40.84	41.04	431.93	111.24	15.81	451.26
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	0.41	-	-	0.36	0.05	0.11	-	0.03	-	0.13	0.01	0.04	0.30
Office Equipment	0.14	-	-	0.14	0.00	0.08	-	-	-	0.08	-	0.00	0.06
Computer Equipment	0.20	-	-	-	0.20	0.09	-	0.06	-	-	0.15	0.05	0.11
Total	**913.41**	**1.62**	**5.47**	**791.47**	**129.03**	**461.57**	**0.69**	**41.02**	**41.04**	**432.14**	**112.18**	**16.85**	**451.84**

Note:

i Vessels having Net book value of INR 7.03 crore (Previous Year INR 15.81 crore) has been charged / mortgaged to the lenders. All the vessels have been arrested by the operational creditors under Commercial Admiralty Suit and are not operational.

Sale of Vessels:

ii Prem Mala - During the previous year, the vessels was arrested and sale proceedings were initiated by Hon'ble High Court of Bombay. The said vessel has been sold on May 26, 2020 through court auction initiated by a lender and the same has been handed over by the court appointed Sheriff to the buyer on July 13, 2020. The sale proceeds of INR 36.40 crore as deposited by the buyer in court are yet to be appropriated and hence has been classified under 'Other Current Assets', which stands at INR 29.97 crore as on March 31, 2021 after appropriation of maritime expenses of INR 6.43 crore reimbursed by Sheriff as per his report to the court. On account of short provision for expenses which related to Prem Mala, further expenses towards port charges for INR 0.97 crore were expensed out in financial year 2020 - 21.

iii Bhagwati Prem - During the previous year, the dredger was beached at New Mangalore Port Trust (NMPT) and notice for auction dated January 30, 2020 was issued by NMPT authorities by exercising the powers vested with NMPT under Section 42 of the Indian Ports Act, 1908 to recover the Port Dues, Fees and other charges. During the year, NMPT informed the Company that the dredger has been auctioned through MSTC Limited, Bangalore on September 30, 2020 vide MSTC Order No. MSTC/BLR/20-21/890 in terms of Section 14 and Section 42 of the Indian Ports Act, 1908 as per the directions given by Ministry of Shipping and that it has received an amount of INR 4.81 crore from the sale of the said dredger and the available amount with Port after all the recoveries towards the expenses suffered in to risk imposed by the sunk dredger 'Tridevi Prem' and dredger 'Bhagwati Prem' is INR 1.67 crore. The Company has accounted for the sum of INR 3.14 crore towards Port Charges during the current financial year. The amount receivable from NMPT as at March 31, 2021 has been accounted at INR 4.81 crore and INR 3.14 crore liability towards expenses accrued separately.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

iv Vivek Prem - During the previous year, the Company has entered into Bare Boat Charter and Demise (BBCD) agreement for the vessel where the Company could not complete condition for transfer of ownership at the end of the agreement and said dredger was arrested by one of operational creditors which resulted into discontinuation of agreement. The contracting party has called for an arbitration seeking demand of INR 6.50 crore as compensation and had also taken injunction against invocation of bank guarantee of INR 2.50 crore. The dredger was under charge to one of the financial creditor against the financial assistance to the company, whose petition was admitted by NCLT, Mumbai Bench pursuant to which Corporate Insolvency Resolution Process(CIRP) has commenced with effect from February 8, 2021.The Arbitration proceedings have not been initiated.

During the year, the dredger has been sold under court auction (order dated February 18,2021 of Gujarat High Court) for a price of INR 3.60 crore. However, the appropriation of the proceeds shall follow in due course of time and the sale proceeds of INR 3.60 crore is lying as deposit with the court. Basis the transaction, the vessel has been considered as sold by the Company, as management has no control over it, effective from the date of order and the amount receivable from Court has been classified as "Other Current Assets".

v Uma Prem - During the previous year, the vessel was arrested and sold under court proceedings at Hon'ble High Court of Bombay. The Company has received the order of Hon'ble High Court of Bombay dated on September 15, 2020 , stating the appropriation of court deposit of INR 2.70 crore towards payments to be made to the claimants including INR 1.72 crore to one of the financial creditor who had a charge on the vessel.

The Company has carried out the necessary accounting adjustment in this regard and the court deposit of INR 2.70 crore stands fully appropriated as on March 31, 2021.

vi Further, there are only two non operational dredgers (arrested by creditors) with the Company, which were fully impaired in previous year and are carried at realisable scrap value in the books of accounts. On account of this, no depreciation has been charged on Vessels in the year ended March 31, 2021. The current status of the said dredgers are as under –

Name of Dredger	Location	Charged to	Status as at Year end March 31, 2021
Darshani Prem	At Kakinada Seaports Ltd, Kakinanda (Andhra Pradesh)	Charged to ICICI Bank Ltd	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	At Cochin Port	Charged to FCCB Holders	The dredger has been under arrest by an Operational Creditor

vii The office premise of the Company was charged to the lender of Mercator Petroleum Limited (MPL), one of the material subsidiary of the Company. 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 MPL.

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.

viii Impairment testing for fleets

The Company has assessed 'recoverable amount' of each fleet by estimating their "Net Realisable Value (NRV)", in terms of Ind-AS 36 "Impairment of Assets". NRV has been determined as Scrap value less estimated cost of arriving NRV / sale in ordinary course of business. Based on the aforementioned assessment, the Company has made a provision for impairment loss of INR Nil (Previous Year INR 41.04 crore) during the year 2020-21 for its fleets.

ix During the financial year 2020-21, the Company has sold / discarded substantial part of its vessels and has accounted loss on such sale / discard amounting to INR 2.23 crore (Previous Year INR 233.43 crore). As on March 31, 2021, the Company has two non-operational dredgers, which has been valued at realisable scrap value and were impaired in the Financial Year 2019-20 itself . The details of such transactions are as under:

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

₹ in crore

Name of Vessel	Type of Vessel	Date of Sale / delivery	Nature	Impairment of vessels / (reversal of impairment)	(Loss)/ Profit on Sale / Discard	Impair-ment of vessels	(Loss)/ Profit on Sale / Discard	Method of sale / discard
				₹ in crore FY 2020-21	₹ in crore FY 2020-21	₹ in crore FY 2019-20	₹ in crore FY 2019-20	
Prem Pride	Tanker	16.01.20	Sold	-	-	-	(102.63)	By Company
Prem Mala	Tanker	26.05.20	Sold	-	-	-	(22.37)	Court Auction sale
Hansa Prem	Tanker	23.03.20	Sold	-	-	-	(20.73)	By Bank
Omkara Prem	Dredger	07.10.19	Scrap	-	-	-	(15.27)	Scrap Sale
Bhagwati Prem	Dredger	30.09.20	Sold	-	(2.23)	19.57	-	E-auction under Section 42 of Indian Ports Act, 1908
Tridevi Prem	Dredger	02.08.19	Sunk	-	-	-	(22.81)	Sunk at Port
Uma Prem	Dredger	09.01.20	Sold	-	-	-	(12.91)	Court Auction sale
Vakul Prem	Dredger	05.12.19	Scrap	-	-	-	(29.54)	Scrap Sale
Veera Prem	Dredger	31.12.19	Wreck	-	-	-	(7.17)	Wreck
Darshani Prem	Dredger	---	---	-	-	17.51	-	NA
Vivek Prem	Dredger	18.02.21	Sold	(1.86)		1.71	-	Court Auction sale
Yukti Prem	Dredger	---	---	-	-	2.25	-	NA
Total				**(1.86)**	**(2.23)**	**41.04**	**(233.43)**	

x During the Previous Year, vessel namely "Veera Prem" has been removed as wreck by Protection and Indemnity (P & I) Club, The North of England Protection and Indemnity Association (NEPIA), against which the Company is still in the process of filing appropriate insurance claim.

2.2 Investment Property

₹ in crore

PARTICULARS	Cost					Depreciation / Impairment						Net Block	
	As at April 1, 2020	Reclassi-fication	Addition	Disposal/ Adjust-ments	As at March 31, 2021	As at April 1, 2020	Reclassi-fication	Addition	Impair-ment	Disposal/ Adjust-ments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Office Premises	-		-	-	-	-				-	-	-	-
Total -			-	-	-		-		-	-	-	-	

₹ in crore

PARTICULARS	Cost					Depreciation / Impairment						Net Block	
	As at April 1, 2019	Reclassi-fication	Addition	Disposal/ Adjust-ments	As at March 31, 2020	As at April 1, 2019	Reclassi-fication	Addition	Impair-ment	Disposal/ Adjust-ments	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
Office Premises	1.62	1.62	-	-	-	0.66	0.69	0.03		-	-	-	0.96
Total	**1.62**		-	-	-	**0.66**		**0.03**		-	-	-	**0.96**

₹ in crore

	Year Ended	
(a) Income and expenditure of Investment property:	**March 31, 2021**	**March 31, 2020**
Rental income from investment property:	-	0.19
Direct operating expenses (including repairs and maintenance) on properties generating rental income	-	0.01
Income arising from Investment Properties before depreciation	-	0.18
Less: Depreciation	-	0.03
Income from Investment Properties (net)	**-**	**0.15**

(b) During the previous year, the rent agreement had been terminated and the Company had taken repossession of the Investment Property for its own usage from July 2019 and hence the same was reclassified as Property, Plant and Equipment.

(c) The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements as on March 31, 2021.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

2.3 Non - Current Investments

₹ in crore

PARTICULARS	Face Value per Unit	Numbers as at		Value - As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investment in Equity Instruments (Unquoted valued at cost)					
Subsidiaries					
Mercator Oil and Gas Limited###	10.00	1,50,000	1,50,000	0.15	0.15
Mercator International Pte Ltd (MIPL)###		1,00,000	1,00,000	0.29	0.29
Offshore Holding Company Pte. Ltd (formerly known as Mercator Offshore Holding Pte Ltd) * ##		2	2	-	-
Mercator Petroleum Limited **	10.00	1,53,00,000	1,53,00,000	47.93	47.93
Mercator Offshore (P) Pte Ltd #		13,992	13,992	0.04	0.04
Oorja Resources India Private Limited ##	10.00	25,000	25,000	0.03	0.03
Mercator Oceantransport Ltd ##	10.00	50,000	50,000	0.05	0.05
Mercator Offshore Logistic Private Limited (formerly known as Mercator Dredging Private Limited) ##	10.00	10,000	10,000	0.01	0.01
Sub-Total				**48.50**	**48.50**
Less: Impairment of Investment in Equity Instruments				(16.46)	(16.46)
Total (A)				**32.04**	**32.04**
Investment in Preference Instruments (Unquoted valued at cost)					
Subsidiary					
6.51% Non Cumulative Redeemable Preference Shares in Mercator International Pte Ltd ***	USD 1 each	5,65,49,515	5,65,49,515	415.67	426.31
Less: Impairment of Investment in Preference Instrument				(415.67)	(426.31)
Total (B)				**-**	**-**
Other Equity Investment - (fair value of financial guarantee given for)					
Capital Contribution subsidiary - Corporate Guarantee					
Offshore Holdings Pte. Limited				-	-
Mercator International Pte Ltd				3.47	3.47
Mercator Oil and Gas Limited				0.33	0.33
Mercator Petroleum Limited				1.07	1.07
Sub-Total				**4.87**	**4.87**
Less: Impairment of Investment in Equity- Other				(4.87)	(4.87)
Total (C)				**-**	**-**
Investment in Debentures					
Subsidiaries:					
6% Optionally Convertible Unsecured Debentures of Mercator Petroleum Limited	10	3,16,06,800	3,16,06,800	31.61	31.61
Less: Impairment of Investment in Debentures				-	-
Total (D)				**31.61**	**31.61**
Others					
Investment in Equity Shares					
Marg Swarnabhoomi Port Private Limited	10	1,250	1,250	0.00	0.00
Less: Impairment in Investment in Equity Shares				(0.00)	(0.00)
Total (E)				**-**	**-**
Investment at Gross value				**500.66**	**511.29**
Less: Impairment in Investments				(437.01)	(447.64)
Investment net of impairment provision				**63.65**	**63.65**

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

* Cost Rs. 51

** Shares of Mercator Petroleum Limited has been pledged for non-convertible debentures issued by the Company as collateral. The application for initiation of Corporate Insolvency Resolution Process under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal, Mumbai Bench against Mercator Petroleum Limited was admitted vide the order of NCLT dated August 31, 2020 . In terms of Section 17 of the IBC, the power of the Board of Directors stand suspended and all such powers stand vested in an Interim Resolution Professional appointed vide the said Order.

*** In the financial year ended March 2019, the Company had converted the loan receivable amounting to INR 391.16 crore (USD 55.65 million) from one of its wholly owned Singapore based subsidiary, Mercator International Pte Ltd., into 6.51% Non-Cumulative Redeemable Preference Shares (NCRPS) to the extent of the amount outstanding as on March 30, 2019 as a part of its restructuring exercise at group level. During the previous year, entire amount of INR 426.31 crore (equivalent and underlying currency USD 55.65 million) was impaired. The movement in this account is mainly due to the movement in foreign currency exchange rate.

During the reporting period, the management of subsidiary company has filed voluntary liquidation under applicable Companies Law at Singapore with Accounting and Corporate Regulatory Authority (ACRA).

The companies are dormant and non-operative in nature and in absence of satisfactory compliance of criteria of Cash Generating Unit and foresightedness for its future going concern, the management has provided impairment on the investment.

NCLT Mumbai had reserved for orders (RFO) its judgment on the petition for admission filed by an Operational Creditor in November 2019 in the case of Mercator Oil and Gas Limited.The order is yet to be pronounced.

In case of Mercator International Pte. Ltd. (MIPL), a wholly owned material Foreign Subsidiary, one of the financial lenders had recalled the 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. The said subsidiary is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators.

₹ in crore

	As at	
	March 31, 2021	March 31, 2020
Non Current Investments		
(a) Aggregate amount of investments and market value are given below:		
Aggregate Cost of quoted investments	-	-
Aggregate Market Value of quoted investments	-	-
Aggregate Cost of unquoted investments	500.66	511.29
Aggregate amount of impairment in value of investments	(437.01)	(447.64)

(b) **Details on Impairment of investment (including loans and advances in relation to subsidiaries)**

During the year, the Company had carried out impairment testing on the investment and loans and advances given to wholly owned subsidiaries / subsidiaries based on their future cash generating capacity and have accounted INR 13.50 crore as impairment provision in the FY 2020-21, which has been disclosed in Note 2.26.Details are as under -

Details of Impairment made during the Financial Year 2020 - 21

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

Details of Impairment made during the Financial Year 2020 - 21

₹ in crore

Name of Subsidiary	Impairment of Investment	Impairment of Loans and Advances (net of reversal)	Total
Equity Instrument			
Mercator Petroleum Limited (Refer note 3.28)		9.97	9.97
Mercator Oil and Gas Limited (Refer note 3.27)		3.53	3.53
Total	**-**	**13.50**	**13.50**

During the previous year, the Company had carried out impairment testing on the investment and loans and advances given to wholly owned subsidiaries / subsidiaries based on their future cash generating capacity and have accounted INR 485.47 crore as impairment provision in the FY 2019-20, which has been classified as exceptional item. Details are as under -

Details of Impairment made during the Financial Year 2019 - 2020

₹ in crore

Name of Subsidiary	Impairment of Investment	Impairment of Loans and Advances (net of reversal)	Total
Equity Instrument			
Mercator Petroleum Limited (Refer note 3.28)	16.17	6.06	22.23
Mercator Oil and Gas Limited (Refer note 3.27)	0.15	32.16	32.31
Mercator Offshore Logistic Private Limited	0.01	2.03	2.04
Oorja Resources India Private Limited	0.03	-	0.03
Mercator Offshore (P) Pte Ltd	0.05	1.43	1.48
Mercator Oceantransport Limited	0.05	-	0.05
Offshore Holding Company Pte Ltd	-	(3.85)	(3.85)
Preference Instrument			
Mercator International Pte Ltd (Refer note 3.26)	426.31	-	426.31
Capital Contribution – pursuant to the Corporate Guarantee given by the Company			
Mercator International Pte Ltd (Refer note 3.26)	3.47	-	3.47
Mercator Petroleum Limited (Refer note 3.28)	1.07	-	1.07
Mercator Oil and Gas Limited (Refer note 3.27)	0.33	-	0.33
Total	**447.64**	**37.83**	**485.47**

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

₹ in Crore

	As at March 31, 2021	As at March 31, 2020
2.4 Loans (Non-Current)		
(Unsecured, Considered Good, unless otherwise stated)		
Security and Judicial deposits	1.61	1.40
	1.61	**1.40**
2.5 Other Financial Assets (Non-Current)		
(Unsecured, Considered Good, unless otherwise stated)		
Deposits with government and semi government bodies	0.03	0.03
	0.03	**0.03**
2.6 Other Non-Current Assets		
(Unsecured, Considered Good, unless otherwise stated)		
Capital Advances		
Capital Advances to related parties (a)	14.32	14.32
Capital Advances to Others	2.00	2.00
Less: Provision held	(16.32)	(16.32)
	-	-
(a) Capital Advances to related parties		
Vaitarna Marine Infrastructure Limited	14.32	14.32
Less: Provision held	(14.32)	(14.32)
	-	-
2.7 Trade Receivables		
(Unsecured)		
Unsecured, Considered Good	44.65	48.23
Credit Impaired	1.47	3.47
Total Trade Receivables	**46.12**	**51.70**
Unsecured, Considered Doubtful		-
Less Allowance for bad and doubtful debt	(1.47)	(3.47)
Less: Expected Credit Loss on Trade Receivables (Refer Note 3.15(b))	(2.87)	(2.28)
	41.78	**45.95**
2.8 (i) Cash and Cash Equivalents		
Balances with bank		
Current Accounts (a)	1.51	0.86
	1.51	**0.86**
(a) Balances with banks includes amount in escrow account	0.07	0.10

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

₹ in Crore

	As at March 31, 2021	As at March 31, 2020
2.8 (ii) Other Bank Balances		
Balances with banks in unpaid dividend accounts	0.15	0.16
Fixed Deposits with bank with maturity less than 12 months	5.00	-
	5.15	**0.16**
2.9 Loans (Current)		
(Unsecured, Considered Good, unless otherwise stated)		
Loans and advances to -		
Related Parties (a)		
Considered good	68.50	77.88
Credit impaired	55.22	42.31
	123.72	**120.19**
(a) Loans and advances to related parties -		
Mercator Offshore (P) Pte Limited	1.43	1.43
Mercator Offshore Logistic Private Limited (formerly known as Mercator Dredging Private Limited)	2.03	2.03
Mercator Petroleum Limited	82.66	72.70
Mercator Oil & Gas Limited *	92.78	85.71
Oorja Resources India Private Limited	0.05	0.63
Less: Provision held during the year	(55.23)	(42.31)
	123.72	**120.19**

* During the reporting period, the Subsidiary Company has executed an undertaking in favour of a financial lender of the Subsidiary Company in view of litigation funding support provided by them wherein the Lender has certain priorities towards recovery of dues upon settlement of arbitration proceedings.

2.10 Other Financial Assets (Current)		
(Unsecured, Considered Good, unless otherwise stated)		
Unsecured		
Considered good		
Insurance Claim Receivable	59.35	59.35
Other receivables	4.81	-
	64.16	**59.35**
2.11 Other Current Assets		
Prepaid Expenses	-	0.49
Advance to Suppliers	0.08	4.32
Other Advances*	35.97	8.69
	36.05	**13.50**

*Other Advances includes Court deposits of INR 33.57 crore (Previous Year INR Nil) relating to sale of vessels.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

₹ in Crore

	As at March 31, 2021	As at March 31, 2020
2.12 Equity Share Capital		
Authorised		
135,00,00,000 (Previous Year - 135,00,00,000) Equity shares of INR 1/- par value each	135.00	135.00
100,00,000 (Previous Year - 100,00,000) Preference shares of INR 100/- par value each	100.00	100.00
	235.00	**235.00**
Issued Capital		
30,24,59,335 share (Previous Year - 30,24,59,335) Equity shares of INR 1/- each	30.25	30.25
Subscribed and Fully Paid Up Capital		
30,24,59,335 share (Previous Year - 30,24,59,335) Equity shares of INR 1/- each	30.25	30.25

During the previous year, the Company had reclassified authorised share capital of INR 100,00,00,000/- from Preference Share capital to Equity Share capital in order to increase its authorised equity share capital base so that any commitment of conversion of Foreign Currency Convertible Bonds (FCCB) based on exercise of an option vested to Bond holder can be honoured.

(a) Rights, preferences, restrictions attached to Shares

The company has two classes of authorised shares - (i) as equity shares having a face value of INR 1/- and (ii) preference shares having a face value of INR 100/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend whenever proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

₹ in Crore

	2020-2021		2019-2020	
	Number	₹ in crore	Number	₹ in crore
Equity shares outstanding at the beginning of the period	30,24,59,335	30.25	30,24,59,335	30.25
Equity shares allotted in Qualified Institutional Placement	-	-	-	-
Equity shares outstanding at the end of the period	**30,24,59,335**	**30.25**	**30,24,59,335**	**30.25**

(c) The company during the preceding five years :

(i) Has not allotted shares pursuant to contracts without payment received in cash.

(ii) Has not issued shares by way of bonus shares.

(iii) Has not bought back any shares.

(d) Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

₹ in Crore

	As at March 31, 2021		As at March 31, 2020	
	No of shares held	% of holding	No of shares held	% of holding
H. K. Mittal	1,00,74,900	3.33	2,11,93,700	7.01
Archana Mittal	1,19,44,725	3.95	1,91,35,200	6.33
AHM Investments Private Limited	1,07,25,050	3.55	1,84,06,250	6.09
Anand Rathi Global Finance Ltd (Refer note 3.35)	2,55,00,000	8.43	-	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

Out of the promoters' holding -

(i) As stated in note 3.35, 2,55,00,000 no. of shares (Previous Year 65,79,175 no of shares) have been invoked by the financial lenders during the year whereby total external loans liabilities amounting to INR 3.95 crore (Previous Year INR 4.84 crore) have been discharged by the Company in its books on the basis of value of shares invoked based on closing traded price.

(ii) 28,50,000 (Previous Year 85,89,050) no of shares are pledged with various lenders/entities wherein there are no financial liabilities outstanding as on March 31, 2021. 57,39,050 No of shares have been released from pledge in the financial year 2020-21.

In addition to above, 90,00,000 No of shares (Previous Year 90,00,000 No of shares) held by AHM Investments Private Limited has been pledged for credit facility amounting to INR 36 crore (Previous Year INR 36 crore) taken by one of its wholly owned subsidiary Mercator Oil and Gas Limited wherein pledge is outstanding as on date of reporting.

(iii) Promoters and Promoter Groups have sold 9,31,725 No. of shares during the period ended March 31,2021. This has brought down the shareholding of the promoters in the Company to 10.83% as on March 31,2021.

(e) In respect of year ended March 31, 2021, the Board of Directors of the Company has recommended not to pay any dividend (Previous Year Nil per share) on the fully paid up equity shares.

(f) The Company had rolled over Foreign Currency Convertible Bonds of USD 16 million on its maturity during previous the year with an agreed terms of conversion of liability at exchange rate of USD / INR = 58.5740 and face value of share price of INR 10 each or such conversion price as may be calculated in compliance with applicable SEBI guidelines whichever is higher. The bondholder reserves right to exercise such option at every anniversary commencing from May 27,2019 for period of 3 years, which if exercised will lead to further dilution of the promoter holding. However, until date of reporting, as per available information the bondholder has not yet exercised its right of conversion.

₹ in Crore

	As at March 31, 2021	As at March 31, 2020
2.13 Other Equity		
A. Summary Of Other Equity (Refer Statement of Changes in Equity for detailed movement)		
Capital Reserve	42.89	42.89
Capital Redemption Reserve	40.00	40.00
Securities Premium	590.75	590.75
Debenture Redemption Reserve	25.00	25.00
General Reserve	167.62	167.62
Foreign Currency Monetary Item Translation Difference Account	(0.01)	-
Retained earnings	(1,882.04)	(1,668.92)
Deemed Equity component on FCCB	0.36	0.36
Other Comprehensive Income	0.79	0.79
	(1,014.64)	**(801.51)**

B. Nature of Reserves

Capital Reserve

Capital Reserve is utilised in accordance with provisions of the Companies Act, 2013.

Capital Redemption Reserve

Capital Redemption reserve (CRR) is being created as per Section 80 (d) of the Companies Act, 2013.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

Securities Premium

Securities Premium Reserve is used to record the premium on issue of securities of the Company. This reserve is created and utilised as per the provisions of the Companies Act, 2013.

Debenture Redemption reserve

The Company is required to create a Debenture Redemption Reserve out of the profits which is available for redemption of debentures.

General Reserve

General Reserve represents appropriation of retained earnings and are available for distribution to Shareholders.

Foreign Currency Monetary Item Translation Difference Account

Foreign Currency Monetary Item Translation Difference Account represents amounts recognised on account of translation of long term foreign currency denominated borrowings not related to acquisition of depreciable assets. Amounts so recognised are amortised in the statement of profit and loss over remaining maturity of related borrowings.

Retained earnings

Retained earnings represents surplus/accumulated earnings of the company less any transfers to General Reserve, Tonnage Tax Reserves, dividend or other distribution paid to Shareholders.

Deemed Equity

Represents deemed equity portion of Foreign Currency Convertible Bonds (FCCB) as per IND AS.

2.14 Borrowings (Non-current)

₹ in Crore

	Non-current Portion		Current Maturities*		Total	
	As at		As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Secured						
Debentures						
Secured Non Convertible Debentures - (a)	-	-	147.57	139.72	147.57	139.72
Term Loans						
From Banks						
Foreign Currency Term Loans - (b)(i), (b) (iii) and (d)(i)	-	-	427.88	434.14	427.88	434.14
External Commercial Borrowings - (b)(ii), (b) (iii) and (d)(i)	-	-	45.14	46.70	45.14	46.70
Unsecured						
Rupee Term Loans- from others d(ii)	-	-	1.50	1.50	1.50	1.50
Foreign Currency Convertible Bonds - (b)(iii), (c) and (d)(i)	-	-	116.58	120.62	116.58	120.62
	-	**-**	**738.67**	**742.68**	**738.67**	**742.68**

* Current maturities of non-current borrowings have been disclosed under "Other Financial Liabilities (Current)", Refer note 2.18

All the lenders have recognised event of default and classified the dues from the Company as Non Performing Asset (NPA).

One of the Lender had filed petition u/s 7 of IBC 2016 with National Company Law Tribunal (NCLT) Mumbai. Accordingly, a Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'), as more elaborated in note 3.23 and note 3.25.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

(a) Debentures comprise of following:

₹ in Crore

	As at				Original
	March 31, 2021		March 31, 2020		Redemption Date
	Gross	Carrying Value	Gross	Carrying Value	
1300 (Previous Year 1300) (12.00)% Secured Unlisted Unrated Non Convertible Debentures of Rs. 10,00,000 each *	126.45	147.57	126.45	139.72	Quarterly instalment starting from June 2020
Total (A)	**126.45**	**147.57**	**126.45**	**139.72**	

* Non Convertible Debentures were secured by first pari-pasu charge on specified vessels and subservient charge on specified vessel of the Company. The same are further collaterally secured on first pari-passu charge on specified moveable and immoveable assets, pledge of shares and hypothecation of all loans whether secured or unsecured given to Mercator Petroleum Limited held by the Company and its step down subsidiary and shares of Mercator Oceantransport Limited. This is further secured by personal guarantee of the promoter. This will be redeemed at premium of 5% (for first two years) and 7% (subsequent residual tenor) on every redemption instalment or any prepayment as per terms of Debenture Trust Deed. Carrying value includes INR 21.12 crore (Previous Year INR 13.27 crore) for redemption premium on cumulative accrual basis.

Premium payable on redemption of Non-Convertible Debentures issued to UTI amounting to INR 21.12 crore (Previous Year INR 13.27 crore) has been included under 'Non-Convertible Debentures (Refer note 2.14) within "Other Financial Liabilities (Current)" (Refer note 2.18)

(b) Foreign Currency term loan comprise of following:

i. The foreign currency term loans from banks of INR 427.88 crore (Previous Year INR 434.14 crore) (gross) are secured by a first ranking or exclusive charge/mortgage/security interest in respect of specified vessels of the company as well as charge on cash flows of specified vessels.

Another Lender has exercised its right under mortgage deed and Sec 51 of the Merchant Shipping Act 1958 and sold the asset.

ii The external commercial borrowings of INR 45.14 crore (Previous Year INR 46.70 crore) (gross) are secured by a first ranking or exclusive charge/ mortgage/ security interest in respect of specified vessels of the company as well as charge on cash flows of specified vessels. The Lender has recognised event of default and classified the account under Non Performing Asset (NPA).

iii Pursuant to the initiation of CIR Process, all the facilities including foreign currency term loan liabilities amounting to INR 589.60 crore has been crystallised in INR on February 7, 2021.

(c) Foreign Currency Convertible Bonds (FCCB) of USD 16 million outstanding amounting to INR 116.58 crore (Previous Year INR. 120.62 crore) are convertible upon exercise of option during the period May 27, 2014 till April 27, 2019 at initial conversion price of INR 38.30 Per Share (at a fixed rate of exchange on conversion of INR 58.5740 per 1 USD). The maturity date of FCCB is May 27, 2019 which is listed on Singapore Stock Exchange. This is fully unsecured in nature. The Company has entered into financial commitment to rollover the said FCCB with existing Bondholder with major change in terms and conditions for which the Company is awaiting approval of Reserve Bank of India (RBI). Upon its receipt, as there is major change in valuation, this rollover will extinguish the underlying nomenclature of previous bond transaction and will amount to change in fair value under applicable IND AS.

The Company had entered into binding obligation with the Bondholder for rollover of FCCB with change in major terms and conditions and had also applied with Reserve Bank of India for approval of the same which is awaited. The bondholders' revised/new terms and conditions are as under:

i. Maturity date of the FCCB's has been extended from May 27, 2019 to May 27, 2022 or such date as may be agreed by the Parties.

ii. The Conversion Price of the FCCB's has been reset from INR 38.30 per share to INR 10 per share (with a fixed rate of exchange on conversion of INR 58.5740 per USD)

iii. Earlier coupon of 4.75% per annum payable annually has been changed to 5.75% compounded annually.

iv. The Company shall provide as security for the existing FCCBs a charge over the ""Yukti Prem"", which was unsecured as per earlier terms.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

v. Also, Put/Call/ Conversions options at various time frames and upon occurrence of certain events has been provided to respective parties which was not provided in earlier terms.

In view of non creation of charge (as the vessel has been arrested by operational creditors) as per terms and condition of Trust Deed, the Bondholder has triggered event of default. In addition to that, the Company was required to seek prior approval for sale of oil blocks or other material events of Mercator Petroleum Limited, which has also not been taken until date of reporting. The Bondholder has not yet exercised its right under put option wherein there is commitment of conversion share price at INR 10 per share. Correspondingly, the company has not paid annual interest as well due subsequent to reporting period. The Bondholder has exercised its right for repayment and treat entire facility callable on demand.

(d) (i) Foreign Currency term from bank and Financial Institutions comprise of following:

₹ in Crore

Particulars	Currency	Unpaid Instal-ments*	Rate of Interest**	As at				End of Tenure	Remarks*
				March 31, 2021		March 31, 2020			
				Gross	Carrying Value	Gross	Carrying Value		
External Commercial Borrowing	USD	*	Libor+3.40%	45.14	45.14	46.70	46.70	2022	Unpaid since SEP 2018
Total (B)				**45.14**	**45.14**	**46.70**	**46.70**		
Foreign Currency Term Loan	USD	*	Libor+4.50%	32.92	32.92	34.07	34.07	2022	
Foreign Currency Term Loan	USD	*	Libor+4.50%	22.77	22.77	23.56	23.56	2020	
Foreign Currency Term Loan	USD	*	Libor+4.50%	14.16	14.16	16.35	16.35	2020	
Foreign Currency Term Loan	USD	*	Libor+4.50%	109.84	109.84	113.64	113.64	2022	
Foreign Currency Term Loan	USD	*	Libor+4.50%	61.70	61.70	63.11	63.11	2025	
Foreign Currency Term Loan	USD	*	MCLR+3.55%	28.49	28.49	27.96	27.96	2023	
Foreign Currency Term Loan	USD	*	MCLR+3.55%	39.88	39.88	39.15	39.15	2023	
Foreign Currency Term Loan	USD	*	Libor+5.00%	18.00	18.00	18.19	18.19	2020	
Foreign Currency Term Loan	USD	*	Libor+5.00%	100.12	100.12	98.11	98.11	2022	
Total (C)				**427.88**	**427.88**	**434.14**	**434.14**		
Foreign Currency Convertible Bonds (FCCB) (D)	USD	*	5.75%	116.58	116.58	120.62	120.62	2022	
Total (B + C + D)					**589.60**		**601.46**		

* since all loans are demanded / called by Banks/ FIs etc - hence nothing has been reflected under " unpaid instalments"

** Interest as per Latest available records

(d) (ii) Rupee Term Loan from bank and Financial Institutions comprise of following:

Rupee term loan from Others **(E)** * since all loans are demanded / called by Banks/ FIs etc - hence nothing has been reflected under "unpaid instalments"	INR	*	10% & 14.5%	1.50	1.50	1.50	1.50	2022	
Total (A + B + C + D + E)					**738.67**		**742.68**		

(e) External Credit Rating under disclosure of SEBI (Credit Rating Agency) Regulation 2017

The CARE Ratings Limited (CARE) has downgraded the rating assigned to the Company for Long Term Credit facilities from CARE C (Single C) to CARE D (Single D) and Short Term Credit facilities from CARE A4 to CARE D and further upon non payment of surveillance fees for the rating exercise as per Rating Agreement during the year, the Rating has been denoted as CARE D (Issuer not cooperating). There have been delays / defaults in repayment of Loans instalments and Interest to Banks /Financial Institutions /Non Banking Finance Companies (NBFC) since end of Sept 2018.

The Company has committed breach majorly all the applicable financial covenants including payment default in interest and instalment due to various Banks /financial institutions (FIs) which are still continuing in nature."

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

2.14 (f) - Details of delays and defaults in repayment of Borrowings and Interest thereon

₹ in Crore

Sr. No.	Name of Lender	Note	Base Currency	Type of Loan	Borrowings				Interest		Borrowings				Interest			
					Delay in repayment during the year ended March 31, 2021##		Default as at March 31, 2021##		Default as at March 31, 2021##		Delay in repayment during the year ended March 31, 2020		Default as at March 31, 2020		Delay in repayment during the year ended March 31, 2020		Default as at March 31, 2020	
					₹ in Crore	No of Days for F.Y. 2021	₹ in Crore	No of Days as on March 31,2020	₹ in Crore	No of Days	₹ in Crore	No of Days for F.Y.2020	₹ in Crore	No of Days as on March 31,2020	₹ in Crore	No of Days	₹ in Crore	No of Days
A	**LONG TERM LOANS**																	
1	Axis Bank Limited	a	USD	ECB	-	-	-	-	0.22	-	-	-	-	-	0.41	50	-	-
2	Axis Bank Limited	f	USD	ECB	45.14	313	45.14	679	5.72	679	-	-	46.70	366	-	-	4.00	366
3	Axis Bank Limited	a	USD	FCNR	-	-	-	-	-	91	9.51	122	-	-	1.02	36	0.22	91
4	Axis Bank Limited	f	USD	FCNR	32.92	313	32.92	679	6.22	679	-	-	34.07	366	-	-	4.60	366
5	Axis Bank Limited	f	USD	FCNR	22.77	313	22.77	679	4.55	679	-	-	23.56	366	-	-	3.18	366
6	Axis Bank Limited	f	USD	FCNR	14.15	313	14.15	679	3.87	679	6.30	183	16.35	366	-	-	5.84	366
7	Axis Bank Limited	f	USD	FCNR	109.84	313	109.84	679	23.38	679	-	-	113.64	366	-	-	13.67	366
8	Export and Import Bank of India	j	USD	FCTL	61.70	313	61.70	569	6.71	313	27.69	256	63.11	19	6.92	256	-	-
9	ICICI Bank Limited	k	USD	FCNR	100.11	313	100.11	679	19.39	679	0.23	30	98.11	366	0.18	30	10.00	366
10	ICICI Bank Limited	k	USD	FCNR	18.00	313	18.00	679	4.90	679	-	-	18.19	366	-	-	2.10	366
11	ICICI Bank Limited	k	USD	FCNR	28.49	313	28.49	679	7.04	679	-	-	27.96	366	-	-	3.19	366
12	ICICI Bank Limited	k	USD	FCNR	39.88	313	39.88	679	9.88	679	-	-	39.15	366	-	-	4.47	366
13	IDBI Bank Limited	a	USD	ECB	-	-	-	-	-	-	-	-	-	-	4.04	50	-	-
14	AION Direct Private Limited	d	USD	FCCB	116.58	313	116.58	313	18.89	614	-	-	-	-	-	-	12.89	301
15	UTI Capital Private Limited	b	INR	NCD	147.57	313	147.57	313	168.75	712	-	-	-	-	-	-	73.17	399
16	Yes Bank Limited	c	INR	Car Loan	-	-	-	-	-	-	0.01	30	-	-	-	-	-	-
	Total				**737.15**		**737.15**		**279.52**		**43.74**		**480.84**		**12.57**		**137.34**	
B	**SHORT TERM LOANS** (including Working Capital)																	
1	ICICI Bank Limited	e	INR	STL	3.06	313	3.06	444	4.53	679	14.00	235	3.06	131	-	-	4.27	366
2	Other Financial Lenders #		INR	ICD	20.50	313	20.50	679	9.69	679	10.61	92	29.17	366	-	-	7.99	366
3	State Bank of India	h	INR	MTL	74.79	313	74.79	640	30.30	640	174.47	39	74.79	327	-	-	16.53	327
4	State Bank of India	i	INR	CC	91.17	313	91.17	649	31.13	649	7.52	30	76.50	336	0.88	30	11.25	336
5	Yes Bank Limited	g	INR	CC	20.00	313	20.00	456	8.13	314	-	-	24.12	143	3.50	335	0.36	1
	Total				**209.52**		**209.52**		**83.78**		**206.60**		**207.65**		**4.37**		**40.40**	
	Grand Total				**946.67**		**946.67**		**363.30**		**250.35**		**688.49**		**16.94**		**177.74**	

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

Delays /defaults w.r.t. loan from various NBFCs / Financial Institutions have been consolidated under "Other Financial Lender" and not disclosed case wise.

Delays/defaults for the current year for the Company have been considered upto to February 7, 2021 i.e. upto the date of RP appointment, (Refer note 3.23 and 3.25)

The borrowings of the Company have been crystallised in INR and admitted as of February 7, 2021.

Current year incremental default days have been calculated from April 1, 2020 to February 7, 2021 for the loan outstanding as at March 31, 2021.

Additional Notes:

a The Bank has recognized event of default as per terms and condition of loan agreement and ECB has been fully paid off by sale of its underlying vessel "Prem Pride".

b During the previous year, the Debenture trustee had recognized event of default retrospectively from October 4,2018 and charged penal interest as per terms and condition of Debenture Trust Deed.The same had been accrued and is unpaid as on Balance Sheet date.

c Pursuant to delay in repayment of instalment, the Company has sold underlying asset and prepaid the debt obligation.

d Subsequent to rollover of FCCB dated May 27, 2019, the Trustee has recognized event of default dated June 4, 2019. during the year,Bondholder has recalled the FCCB and sought payment immediately based on breach of negative covenant stated as per sanction terms.

e Pursuant to classification of NPA upon delay in payment of loan, the Bank has adjusted earmarked cash margin.

f The Bank has classified account as NPA dated February 28, 2019.

g The Bank has recalled loan dated November 9, 2019 and account has been classified as NPA.

h The account was classified as NPA on May 9, 2019 and the Bank had filed petition u/s 7 of Insolvency and Bankruptcy Code 2019.The Bank had also invoked personal guarantee of promoter director which has been undischarged on date of balance sheet.

i The account was classified as NPA on April 23, 2019 and the bank had filed petition u/s 7 of Insolvency and Bankruptcy Code 2019.There were devolvement of LC's and BG's cumulative amounting to INR 24.32 crore (Previous Year INR 36.05 crore) and converted into fund based utilization.

j The Bank had recalled loan dated November 13, 2019 and exercised rights u/s 51 of Merchant Shipping Act 1958 for sale of underlying vessel "Hansa Prem".The Bank has classified account as NPA on July 1, 2019.

k The Bank had classified account as NPA on February 28, 2019 and debt obligation was outstanding as on March 31, 2020.The Bank had converted part of loan in Indian Rupee (INR) at notional rate considering NPA provisioning norms and also filed petition u/s 9 of the Insolvency and Bankruptcy Code 2016, which has been admitted on February 8, 2021.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

₹ in Crore

	As at March 31, 2021	As at March 31, 2020

2.15 Other Financial Liabilities (Non-Current)

Security Deposit	0.03	0.03
	0.03	**0.03**

2.16 Borrowings (Current)

Secured		
From Banks		
Cash Credit (a)(i)	111.18	100.62
Loan repayable on demand (a)(ii)	74.79	74.79
From Financial Institution		
Other Loans (a)(iii) and (b)	18.97	27.68
Unsecured		
From Banks		
Loan repayable on demand (a)(iv)	3.06	3.06
From Others		
Loan from Directors (including relative) (a)(v) and (c)	17.36	13.42
	225.36	**219.57**

(a) (i) Cash Credit facilities from Scheduled Banks are secured by first charge on current assets (excluding specific charged if any) on pari-passu basis and second charge on specified vessels.

(ii) Loan repayable on demand from banks are secured by promoter's personal guarantee. During the previous year, loan repayable on demand INR 17.07 crore had been adjusted against cash collateral cum earmarked balance and hence balance amount has been classified as unsecured and reclassified disclosure accordingly.

(iii) Other loans are secured by pledge of shares and personal guarantee of promoters. In case of loan amounting to INR 12.55 crore (Previous Year INR 16.50 crore), the company has created pledge on shares of its one of the subsidiary company Mercator Petroleum Limited.

(iv) Unsecured loan repayable on demand from other party has novation right / put option to exercise from one of step down subsidiary of the Company. The same has been executed and discharged its obligation during the previous year.

(v) Loan from director has been stated at actual amount of invocation of shares to the extent of settlement of debt obligation of the financial lenders. The Company has taken a legal opinion for its legal implication and right of director (including relative) to recover amount of net worth utilised for repayment of debt obligation of the Company.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

(b) ₹ in Crore

	Nature	Rate of Interest	March 31, 2021		March 31, 2020		Remarks
			Gross	Carrying Value	Gross	Carrying Value	
Financial Institution*	Short Term	16.00%	12.55	12.55	16.50	16.50	during the year , lender has invoked pledged shares and recovered partial amount of loan. (Refer note 3.35)
Financial Institution*#	Short Term	18.00%	-	-	6.00	6.00	during the year , lender has settled the loan. (Refer note 3.20)
Financial Institution	Short Term	14.00%	5.92	5.92	4.68	4.68	Lender has sold all pledged shares and recovered the partial amount and the loan amount is still outstanding.
Financial Institution	Short Term	14.00%	0.50	0.50	0.50	0.50	
Total			**18.97**	**18.97**	**27.68**	**27.68**	

The above loans are secured against pledge of shares held by promoters.

* Loans are further collaterally secured by Personal Guarantee of Promoters.

During the year, the Lender, Borrower and Guarantor have entered into a settlement agreement whereby the Guarantor shall discharge the aforesaid liability at an amount of INR 1 crore. The will be accounted in FY 2020-21 which will result in extinguishment of balance liability and interest accrued outstanding at the end of year.

(c) Repayment of short term loan by way of Invocation of pledged shares during the financial year ended 2020-2021

₹ in crore

Name of Director (including relatives)	No of Shares Invoked	Price of Invocation	Loan Outstanding (₹ in crore)
(i) H. K. Mittal	1,11,18,800	1.550	1.72
(ii) Archana Mittal	67,00,000	1.550	1.04
(iii) AHM Investments Private Limited	76,81,200	1.550	1.19
Total	**2,55,00,000**		**3.95**

Based on an independent legal opinion, the Company has restated loan from directors arises on account of invocation of shares at actual price of such sale of shares by lenders and recovered debt obligation.

Invocation of Shares pledged for Short Term Loan during the previous year 2019-2020

₹ in crore

Name of Director (including relatives)	No of Shares Invoked	Price of Invocation	Loan Outstanding (₹ in crore)
(i) H. K. Mittal	1,06,00,000	1.719	1.82
(ii) H. K. Mittal	90,65,000	4.715	4.27
(iii) H. K. Mittal	18,00,000	2.796	0.50
(iv) Archana Mittal	78,92,200	2.476	1.95
Total	**2,93,57,200**		**8.55**

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

₹ in Crore

	As at March 31, 2021	As at March 31, 2020
2.17 Trade Payables		
Total Outstanding of		
- Micro and small enterprises (Refer note 3.09)	0.35	0.35
- Other than micro and small enterprises (a)	43.11	47.70
	43.46	**48.05**
(a) Includes payable to subsidiary companies	**6.77**	**6.77**

2.18 Other Financial Liabilities (Current)

Current maturities of long-term debt		
- Non Convertible Debentures (Refer note 2.14)	147.57	139.72
- External commercial borrowings (Refer note 2.14)	45.14	46.70
- Term loans from banks (Refer note 2.14)	427.88	434.14
- Rupee Term Loan from others (Refer note 2.14)	1.50	1.50
- Foreign Currency Convertible Bonds (Refer note 2.14)	116.58	120.62
Capital Creditors	-	1.96
Other payables	4.00	4.87
Interest Accrued and Due (Refer note 2.14)	356.12	177.84
Interest Accrued and Due - Claims not admitted (Refer note 2.14)	7.18	-
Unclaimed Dividend (a)	0.15	0.15
	1,106.12	**927.50**

(a) There is no amount, due and outstanding, to be credited to Investor Education and Protection Fund.

2.19 Other Current Liabilities

Statutory dues payable*	1.81	2.30
Service Tax Payable net of CESTAT deposit of INR 2.34 crore (Previous Year INR 2.34 crore)	1.40	1.40
Other payables	6.42	6.42
	9.63	**10.12**

* Statutory dues includes liability towards GST net of GST input credit receivable.

2.20 Provisions (Current)

Provision for employee benefits (Refer note 3.03)		
Gratuity	0.19	0.13
Compensated absences	-	0.06
	0.19	**0.19**

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

₹ in Crore

	Year Ended	
	March 31, 2021	March 31, 2020

2.21 Revenue from Operations

Revenue from -		
Dredging	6.85	23.78
Charter hire	-	108.38
	6.85	**132.16**

2.22 Other Income

Rent Income	-	0.19
Interest income		
- Fixed Deposits and Inter corporate deposits	-	1.36
- Related Party	12.15	11.60
- Other	0.03	-
Profit on sale of Asset	-	0.04
Balances written back	2.71	4.75
Gain on Exchange Difference	13.76	-
Amortised Financial Guarantee Obligation	-	0.07
Other Income (Refer note 3.20)	5.00	1.00
	33.65	**19.01**
Interest Income from Related Parties :		
Mercator Oil & Gas Limited	5.67	5.54
Mercator Petroleum Limited	4.59	4.18
Interest on 6% Debentures of Mercator Petroleum Limited	1.89	1.88
	12.15	**11.60**

2.23 Operating Expenses

Bunker Consumed	-	10.80
Vessel /Equipment hire expenses	8.94	13.09
Crew Expenses	0.41	29.54
Agency, Professional and service expenses	0.01	2.61
Communication expenses	-	0.56
Insurance	0.38	6.02
Port expenses	5.04	4.27
Repairs and Maintenance	-	24.26
Stevedoring, transport and freight	-	0.50
Other Expenses	-	3.20
	14.78	**94.85**

2.24 Employee Benefits Expenses

Salaries, wages, bonus, etc. (Refer note 3.03)	2.65	8.69
Contribution to provident and other funds	0.21	0.44
Employee welfare expenses	0.02	0.10
	2.88	**9.23**

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

₹ in Crore

	Year Ended	
	March 31, 2021	March 31, 2020

2.25 Finance cost

Interest expense	100.10	95.96
Penal Interest	101.03	92.79
Other finance cost	8.99	20.91
Amortised Financial Guarantee Obligation Premium (a)	-	10.47
	210.12	**220.13**

(a) Amortised Financial Guarantee Obligation Premium for Related Party Transaction		
Mercator Oceantransport Limited	-	5.23
Mercator Petroleum Limited	-	5.24
	-	**10.47**

(b) In lieu of the fact that the CIRP has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the NCLT and the moratorium u/s 14 of Insolvency and bankruptcy code 2016 has been declared in the said order, the Company has provided interest expenses and penal interest as per contractual terms and condition of all the loans from external financial lenders upto February 07, 2021 irrespective of the fact whether the same has been charged or confirmed by the lenders.

(c) Interest expenses includes interest of INR 1.11 crore (Previous Year INR 0.92 crore) on delayed deposit of tax deducted at source (TDS) in compliance with Chapter XVII-B of Income Tax Act 1961.

(d) Amortisation of financial guarantee obligation premium in the previous year represent de-recognition of financial asset under provision of IND AS 109 pursuant to sale of vessel and its deemed assignment cum guarantee by one of its wholly owned subsidiary given to Debenture Holder. The guarantor does not have sufficient asset to discharge its obligation post sale of asset.

2.26 Impairment

Impairment/(Reversal of Impairment)on Property Plant and Equipment's (Refer note 2.1 (viii) and (ix))	(1.86)	41.04
Impairment for Loans and Advances to related party*	13.50	-
	11.64	**41.04**

*Mercator Petroleum Limited	9.97	-
*Mercator Oil & Gas Limited	3.53	-
	13.50	**-**

2.27 Loss on Sale / Discard of Asset (Refer note 2.1 (ix))

Loss on Sale / Discard of Fixed Asset	2.26	211.08
Loss on Asset classified as Asset Held For Sale	-	22.35
	2.26	**233.43**

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

₹ in Crore

	Year Ended	
	March 31, 2021	March 31, 2020

2.28 Other expenses

Rent	-	2.19
Payment to auditors		
As auditors	0.12	0.15
For other services (certification and other matters)	0.05	0.07
Repairs and Maintenance	0.16	0.39
Insurance	0.01	0.39
Legal, Professional and consultancy expenses	1.80	2.39
Expected Credit Loss	-	17.06
Communication Expenses	0.04	0.10
Conveyance, Car Hire and Travelling	0.05	0.31
Loss on Exchange Difference	-	5.71
Bad Debts and other amounts written off/back (net)	-	17.47
Provision for doubtful debts/advances	-	3.47
Miscellaneous expenses	0.24	1.59
	2.47	**51.29**

2.29 Income Tax Expenses

Current tax	**-**	**-**
Income tax for the year	-	0.45
Adjustments/(credits) related to previous years - Net (Refer note 3.13)	9.35	-
	9.35	**0.45**

3 OTHER DISCLOSURES

3.01 Earnings per Share (EPS)

Basic EPS (in INR)	(7.05)	(33.91)
Diluted EPS (in INR)	(7.05)	(33.91)
Reconciliation of earnings used in calculating earning per share		
Total Profit/(loss) attributable to equity shareholders	(213.12)	(1,025.77)
Weighted average numbers of equity shares used in the calculation of EPS:		
Weighted average numbers of equity shares used in the calculation of Basic EPS	30,24,59,335	30,24,59,335
Dilutive impact of FCCB (Anti Dilutive, hence Nil)	-	-
Weighted average numbers of equity shares and potential equity shares used in the calculation of Diluted EPS	**30,24,59,335**	**30,24,59,335**
Face Value per equity share (INR)	1.00	1.00

* Diluted EPS for the year ended March 31, 2021 is considered as same as Basic EPS, since the effect of FCCB is antidilutive.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

3.02 Segment Reporting

In accordance with Accounting standard Ind AS 108 'Operating Segment', segment information has been given in the consolidated Ind AS financial statements of Mercator Limited, and therefore, no separate disclosure on segment information is given in the Standalone financial statements.

3.03 Disclosure as required by Indian Accounting Standard (Ind AS) 19 on Employee Benefits

Defined benefit plans expose the Company to actuarial risks such as: Interest Rate Risk, Salary Risk and Demographic Risk.

i. **Interest Rate Risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.

ii. **Salary risk:** Higher than expected increases in salary will increase the defined benefit obligation.

iii. **Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(A) Defined Contribution Plans:

The Company has recognised the following amounts in the Statement of Profit and Loss for the year.

₹ in Crore

	Year Ended	
	March 31, 2021	March 31, 2020
Contribution to Employees' Provident Fund (excluding Contribution to Seamen's Provident Fund)	0.10	0.29

(B) Defined Benefit Plans and Other Long Term Benefits:

During the year , the Company has not obtained actuarial valuation for defined benefit plans and other long term benefits as total number of employees on company's payroll were less than 10 and management believes that existing employees will not stay for long with company under the existing conditions in the Company and hence,valuation is not required.

Accordingly current year details has been disclosed and reported as Not Available (N.A) and closing balances of Previous Year has just been shown as carry forwards and are not from any certified valuation.

₹ in Crore

Actuarial Assumptions	Gratuity		Leave Encashment	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(a) Discount Rate	N.A	6.84%	N.A	6.84%
(b) Salary Escalation Rate	N.A	2.00%	N.A	2.00%
(c) Staff Turnover Rate	N.A	2% to 10% p.a. age related on graduated scale	N.A	2% to 10% p.a. age related on graduated scale
(d) Mortality Table	N.A	India Assurance Lives mortality (2012-14)	N.A	India Assurance Ultimate Lives mortality (2012-14) Ultimate
(e) Expected average remaining service (in years)	N.A	14.00	N.A	14.00

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

(i) Changes in Defined Benefit Obligation

₹ in Crore

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Defined Benefit Obligation at the beginning	0.13	1.16	0.06	0.61
Current Service Cost (as per management estimate)	0.06	0.05	-	0.01
Interest Expense	-	0.05	-	0.03
Benefit Payments from Employer	-	(0.85)	-	(0.24)
Settlement Payments from Employer	-	-	(0.06)	-
Remeasurements - Due to Financial Assumptions	-	(0.09)	-	(0.02)
Remeasurements - Due to Experience Adjustments	-	(0.19)	-	(0.33)
Defined Benefit Obligation at the end	**0.19**	**0.13**	**-**	**0.06**

(ii) Change in Fair Value of Plan Assets

₹ in Crore

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Fair Value of Plan Assets at the beginning	-	-	-	-
Employer Direct Benefit Payments	-	0.85	-	0.24
Benefit Payments from Employer	-	(0.85)	-	(0.24)
Fair Value of Plan Assets at the end	**-**	**-**	**-**	**-**

(iii) Components of Defined benefit cost

₹ in Crore

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Current Service Cost (as per management estimate)	0.06	0.05	0.05	0.01
Total Service Cost	**0.06**	**0.05**	**0.05**	**0.01**
Interest Expense on Defined benefit obligation	-	0.06	-	0.03
Total Net Interest Cost	**-**	**0.05**	**-**	**0.03**
Reimbursement of Other Long Term Benefits	-	-	-	-
Defined Benefit Cost included in the Statement of Profit and Loss	**0.06**	**0.10**	**0.05**	**0.04**
Remeasurements - Due to Financial Assumptions	-	(0.09)	-	(0.02)
Remeasurements - Due to Experience Adjustments	-	(0.19)	-	(0.33)
Total Remeasurements in Other Comprehensive Income	**-**	**(0.28)**	**-**	**(0.35)**
Total Defined Benefit Cost recognised in the Statement of Profit and Loss and Other Comprehensive Income	**0.06**	**(0.19)**	**0.05**	**(0.31)**

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

(iv) Net defined Benefit Liability/(Asset) reconciliation

₹ in Crore

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Net Defined Benefit Liability /(Asset) at the beginning	0.13	1.16	0.06	0.61
Defined Benefit Cost included in the Statement of Profit and loss (as per management estimate)	0.06	0.10	-	0.05
Total Remeasurements included in Other Comprehensive Income	-	(0.28)	-	(0.35)
Employer Direct Benefit Payments	-	(0.85)	(0.06)	(0.24)
Net Defined Benefit Liability /(Asset) at the end	**0.19**	**0.13**	**-**	**0.06**

(v) Amounts recognized in the Balance Sheet

₹ in Crore

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Defined Benefit Obligation	0.19	0.13	-	0.06
Fair Value of Plan Assets	-	-	-	-
Funded Status	**0.19**	**0.13**	**-**	**0.06**
Effect of Asset Ceiling/Onerous Liability	-	-	-	-
Net Defined Benefit Liability/(Asset) **Of which, Short term Liability**	**0.19**	**0.13**	**-**	**0.06**

(vi) Experience Adjustments - Gratuity

Particulars	2017	2018	2019	2020	2021
Defined Benefit Obligation at the end of the period	2.10	1.08	1.16	0.13	0.19
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience adjustments of Obligation [Gain/(Loss)]	(0.63)	(0.82)	(0.08)	(0.28)	NA
Experience adjustments on Plan Assets	NA	NA	NA	NA	NA

(vii) Maturity Profile of Defined Benefit Obligation :

Not available (N.A)

(viii)Sensitivity Analysis

Not available (N.A)

3.04 Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) as at March 31, 2021 INR Nil (Previous Year INR Nil).

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

3.05 Contingent Liabilities

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020
Claims against the company not acknowledged as debts in respect of the following items		
Income Tax Demands for various Assessment Years disputed by the Company *	63.18	63.18
Service Tax Demands disputed by the Company	64.03	64.03
Legal Cases - Office and other administration	0.96	0.96
Legal Cases - Shipping	8.15	8.15
Legal Cases - Dredging	46.84	46.84
	183.16	**183.16**
Guarantees :		
Counter Guarantee issued by Company for guarantees obtained from bank (net of margin)^	5.26	43.24
Corporate guarantees issued by the Company on behalf of subsidiaries **	485.43	493.54
Letter of Comforts issued by the Company on behalf of Subsidiary	53.37	54.74
	544.06	**591.52**
* Against the above the Company has already paid INR 59.34 crore (Previous Year INR 59.34 crore) ^ includes guarantees amounting to Rs 1.63 crore (Previous Year Rs 1.63 crore) which has expired but the cancellation has not been done in records of the Bank.		
The Company expects the following reimbursements in respect of the above contingent liabilities from insurance companies and third parties.:		
Legal Cases - Shipping	-	1.10
	-	**1.10**

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

(i) It is not practical for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums /authorities.

The reduction in guarantees are mainly on account of

- restatement of foreign guarantees
- closure of guarantees

(ii) The Company's pending litigations comprise of claims pertaining to proceedings pending with Income Tax, Service Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions were required and disclosed as contingent liabilities where applicable,in its financial statements.The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

(iii) Income Tax Receivables and relative status of assessment / demands / refunds

Current Tax Assets (net) as on March 31, 2021 includes INR 69.19 crore which has not been settled due to ongoing tax assessment for the various Assessment Years from AY 2003-04 to AY 2015-16 against which net tax demand of INR 63.18 crore has been received and contested by the Company.The management is taking steps to resolve the cases with the income tax department.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

Income Tax Receivables and relative status of assessment/demands /refunds

₹ in Crore

Particulars	As at March 31, 2021		As at March 31, 2020	
Income Tax Assets/Receivable	124.00		140.20	
MAT Credit entitlement	2.44		2.44	
Total Income Tax Receivable		**126.44**		**142.64**
income Tax Liabilities/Provision		(71.61)		(67.06)
Income Tax Assets (Net)		**54.83**		**75.58**
Comprises of				
(a) Refund granted but deposited in protest against existing appeals at various forums	46.53		46.53	
(b) Unutilised MAT Credit	2.44		2.44	
(c) Refund claimed under scrutiny assessment	5.62		23.80	
(d) TDS of the current financial year	0.24		2.81	
Income Tax Assets (Net)		**54.83**		**75.58**
(includes assets (net) - AY 2003-04 to AY 2015-16	69.19		69.19	
Contingent Liabilities (AY 2003-04 to AY 2015-16)		63.18		63.18

3.06 Related Party Disclosures as per Accounting Standard (Ind AS) 24 " Related Party Disclosures"

A List of Related Parties

I Subsidiaries - Fellow/ Step down subsidiaries

Sr.No	Name of the Subsidiary Company	Country of Origin	Remarks
1	Mercator Oil and Gas Limited. (MOGL)	India	
2	Mercator Petroleum Limited. (MPL)	India	Note 3
3	Oorja Resources India Private Limited.	Indian	
4	Mercator Offshore Logistic Private Limited (erstwhile known as Mercator Dredging Private Limited). (MOLPL)	Indian	
5	Mercator Oceantransport Limited (MOTL)	India	
6	Mercator International Pte. Ltd (MIL)	Singapore	
7	Offshore Holdings Company Pte. Ltd (OHCPL) (Erstwhile known as Mercator Offshore Holding Pte Ltd)	Singapore	
8	Oorja Holdings Pte. Ltd (OHPL)	Singapore	
9	Mercator Energy Pte Ltd (MEPL)	Singapore	Note 2
10	Mercator Offshore Assets Holding Pte Ltd (MOAHPL)	Singapore	Note 2
11	Mercator Offshore (P) Pte Ltd (MOPPL)	Singapore	Note 2
12	Panther Resources Pte Ltd	Singapore	
13	Oorja (Batua) Pte. Ltd (OBPL)	Singapore	
14	Oorja 1 Pte. Ltd	Singapore	
15	Oorja Mozambique Minas Limitada	Mozambique	
16	MCS Holdings Pte. Ltd. (MCS)	Singapore	
17	PT Karya Putra Borneo (KPB)	Indonesia	
18	PT Indo Peasa (IPK)	Indonesia	
19	PT Oorja Indo Petangis Four	Indonesia	

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

Sr.No	Name of the Subsidiary Company	Country of Origin	Remarks
20	PT Oorja Indo Petangis Three	Indonesia	
21	PT Bima Gema Permata	Indonesia	
22	PT Oorja Indo KGS	Indonesia	
23	Broadtec Mozambique Minas Lda	Mozambique	
24	Marvel Value International Limited (Wound up on August 31, 2020)	Singapore	Note 1
II	**Key Management Personnel**		
1	Mr.H.K Mittal - Executive Chairman		
2	Mr.Shalabh Mittal - Chief Executive Officer - Mr.Shalabh Mittal tendered his resignation vide email dated June 21, 2021 as Chief Executive Officer and Key Managerial Personnel of the Company with effect from June 21, 2021 citing personal reasons.However, the company is currently undergoing the Corporate Insolvency Resolution Process and the acceptance of the resignations tendered is subject to the relevant provisions of the Insolvency and Bankruptcy Code, 2016.		
3	Mr. Rajendra Kothari - Chief Financial Officer		
4	Mr Gurpreet Malhi (Chief Operating Officer) (up to December 31, 2020)		
III	**Enterprises over which Key Management Personnel exercise significant control**		
1	Ankur Fertilizers Private Limited		
2	AHM Investments Private Limited		
3	MHL Healthcare Limited		
4	Prem Punita Foundation (India)- Charitable Trust		
5	HK Sons Realtors Private Limited		
6	Premputli Realtors Private Limited		
7	Sisouli Realtors Private Limited		
8	Vaitarna Marine Infrastructure Limited		
9	Rishi Holding Private Limited		
10	Mac Maritime Training and Research Institute		
11	Harish Mittal Family Trust		
12	Urban Pod Private Limited		

Notes:

1 During the year,the company has filed voluntary liquidation with Corporate registrar of British Virgin Island under BVI Business Companies Act 2004,which has been approved.

2 During the year,the companies have filed voluntary liquidation with Accounting and Corporate Regulatory Authority Singapore and appointed liquidator for the same.

3 A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order of the NCLT dated August 31, 2020 (Insolvency Commencement Date) 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 exercisable by Interim Resolution Professional (IRP) who as appointed by the NCLT.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

B. Details of transactions with the related parties

Name of the Transaction	Subsidiary Companies		Key Managerial Personnel (including relatives)		Enterprises over which Key Management Personnel exercise significant control		Total	
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
Services Received								
Vaitarna Marine Infrastructure Limited	-	-	-	-	-	0.30	-	0.30
Total	**-**	**-**	**-**	**-**	**-**	**0.30**	**-**	**0.30**
Interest Income								
Mercator Petroleum Limited	4.59	4.18	-	-	-	-	4.59	4.18
Mercator Oil and Gas Limited	5.67	5.54	-	-	-	-	5.67	5.54
Total	**10.26**	**9.72**	**-**	**-**	**-**	**-**	**10.26**	**9.72**
Interest on Debentures								
Mercator Petroleum Limited	1.89	1.88	-	-	-	-	1.89	1.88
Total	**1.89**	**1.88**	**-**	**-**	**-**	**-**	**1.89**	**1.88**
Interest Income on Corporate Guarantee given to subsidiaries								
Mercator Oil and Gas Limited	-	0.07	-	-	-	-	-	0.07
Total	**-**	**0.07**	**-**	**-**	**-**	**-**	**-**	**0.07**
Interest expense on Corporate Guarantee given to subsidiaries								
Mercator Oceantransport Limited	-	5.24	-	-	-	-	-	5.24
Mercator Petroleum Limited	-	5.23	-	-	-	-	-	5.23
Total	**-**	**10.47**	**-**	**-**	**-**	**-**	**-**	**10.47**
Investment made during the year								
6% Debentures in Mercator Petroleum Limited	-	1.67	-	-	-	-	-	1.67
Total	**-**	**1.67**	**-**	**-**	**-**	**-**	**-**	**1.67**
Expenses incurred on behalf of								
Mercator Oceantransport Limited	0.00	0.00	-	-	-	-	0.00	0.00
Oorja Resources India Private Limited	0.16	0.02	-	-	-	-	0.16	0.02
Mercator Dredging Private Limited	0.01	0.00	-	-	-	-	0.01	0.00
Mercator Oil and Gas Limited	1.40	0.00	-	-	-	-	1.40	0.00
Mercator Petroleum Limited	3.49	0.16	-	-	-	-	3.49	0.16
MCS Holdings Pte. Ltd. @	-	0.00			-	-	-	0.00
Vaitarna Marine Infrastructure Limited	-	-	-	-	-	0.01	-	0.01
Total	**5.06**	**0.18**	**-**	**-**	**-**	**0.01**	**5.06**	**0.19**

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

Name of the Transaction	Subsidiary Companies		Key Managerial Personnel (including relatives)		Enterprises over which Key Management Personnel exercise significant control		Total	
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
Expenses/liability incurred repaid/Incurred on company behalf								
H.K.Mittal	-	-	0.56	-	-	-	0.56	
Mercator Petroleum Limited	0.00	-	-	-	-	-	0.00	-
Vaitarna Marine Infrastructure Limited	-	-	-	-	-	0.34	-	0.34
Oorja Resources India Private Limited	0.75	0.80	-	-	-	-	0.75	0.80
Total	**0.75**	**0.80**	**0.56**	**-**	**-**	**0.34**	**1.31**	**1.14**
Loan given during the year								
Mercator Oil and Gas Limited	1.40	1.30	-	-	-	-	1.40	1.30
Mercator Petroleum Limited	3.49	2.11	-	-	-	-	3.49	2.11
Mercator Oceantransport Limited	0.00	-	-	-	-	-	0.00	-
Mercator Dredging Private Limited	0.01		-	-	-	-	0.01	-
Oorja Resources India Private Limited	0.16	1.32	-	-	-	-	0.16	1.32
Total	**5.06**	**4.73**	**-**	**-**	**-**	**-**	**5.06**	**4.73**
Loan Repaid during the year								
Mercator Oil and Gas Limited	-	0.72	-	-	-	-	-	0.72
Mercator Petroleum Limited	-	0.57	-	-	-	-	-	0.57
Offshore Holding Company Pte Ltd @	-	178.03	-	-	-	-	-	178.03
Total	**-**	**179.32**	**-**	**-**	**-**	**-**	**-**	**179.32**
Invocation of shares pledged by Promoters converted into Loan								
Mr H K Mittal	-	-	1.72	6.60	-	-	1.72	6.60
Mrs Archana Mittal	-	-	1.04	1.95	-	-	1.04	1.95
AHM Investments Private Limited	-	-	-	-	1.19	-	1.19	-
Total	**-**	**-**	**2.76**	**8.55**	**1.19**	**-**	**3.95**	**8.55**
Shares pledged for loan against shares								
Mr. H.K Mittal	-	-	0.23	0.75	-	-	0.23	0.75
Mrs. Archana Mittal	-	-	-	0.59	-	-	-	0.59
AHM Investments Private Limited	-	-	-	-	0.72	0.85	0.72	0.85
Total	**-**	**-**	**0.23**	**1.34**	**0.72**	**0.85**	**0.95**	**2.19**

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

Name of the Transaction	Subsidiary Companies		Key Managerial Personnel (including relatives)		Enterprises over which Key Management Personnel exercise significant control		Total	
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
Outstanding Balances as on reporting date								
Letter of Comfort (Promissory Note based)								
Marvel Value International Limited #	54.74	54.74	-	-	-	-	54.74	54.74
Total	**54.74**	**54.74**	**-**	**-**	**-**	**-**	**54.74**	**54.74**
Corporate Guarantees given								
Mercator International Pte Limited #	88.21	90.46	-	-	-	-	88.21	90.46
Mercator Petroleum Limited	95.79	95.29	-	-	-	-	95.79	95.29
Mercator Oil and Gas Limited	131.98	133.49	-	-	-	-	131.98	133.49
MCS Holdings Pte. Ltd #	169.95	174.30	-	-	-	-	169.95	174.30
Total	**485.93**	**493.54**	**-**	**-**	**-**	**-**	**485.93**	**493.54**
Loan from directors								
Mr.H.K.Mittal	-	-	13.19	11.47	-	-	13.19	11.47
Mrs. Archana Mittal (resigned dated July 03, 2019)	-	-	2.99	1.95	-	-	2.99	1.95
Total	**-**	**-**	**16.18**	**13.42**	**-**	**-**	**16.18**	**13.42**
Securities Given for Loan Taken by Subsidiary								
Mercator Petroleum Limited	95.79	95.29	-	-	-	-	95.79	95.29
Total	**95.79**	**95.29**	**-**	**-**	**-**	**-**	**95.79**	**95.29**
Guarantees / Securities Taken from Subsidiary for Loan taken by the Company								
Mercator Petroleum Limited##	126.45	126.45	-	-	-	-	126.45	126.45
Total	**126.45**	**126.45**	**-**	**-**	**-**	**-**	**126.45**	**126.45**
Personal Guarantee given by Key Managerial Personnel								
Mr H K Mittal	-	-	192.58	192.58	-	-	192.58	192.58
Mrs Archana Mittal	-	-	16.50	16.50	-	-	16.50	16.50
AHM Investment Private Limited	-	-	-	-	16.50	16.50	16.50	16.50
Mr Shalabh Mittal	-	-	100.00	100.00	-	-	100.00	100.00
Total	**-**	**-**	**309.08**	**309.08**	**16.50**	**16.50**	**325.58**	**325.58**
Counter Guarantees								
Mercator Petroleum Limited	1.52	1.52	-	-	-	-	1.52	1.52
Total	**1.52**	**1.52**			**-**	**-**	**1.52**	**1.52**

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

Name of the Transaction	Subsidiary Companies		Key Managerial Personnel (including relatives)		Enterprises over which Key Management Personnel exercise significant control		Total	
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
Loans and Advances Receivable								
Mercator Oil and Gas Limited	92.78	85.71	-	-	-	-	92.78	85.71
Mercator Petroleum Limited	82.66	72.70	-	-	-	-	82.66	72.70
Total	**175.44**	**158.41**	**-**	**-**	**-**	**-**	**175.44**	**158.41**
Capital Advances								
Vaitarna Marine Infrastructure Limited	-	-	-	-	14.32	14.32	14.32	14.32
Total	**-**	**-**	**-**	**-**	**14.32**	**14.32**	**14.32**	**14.32**
Loan and Other Receivable								
Mercator Offshore (P) Pte Limited #	1.43	1.43	-	-	-	-	1.43	1.43
Mercator Offshore Logistic Private Limited	2.03	2.03	-	-	-	-	2.03	2.03
Oorja Resources India Private Limited	0.05	0.63	-	-	-	-	0.05	0.63
Total	**3.51**	**4.09**	**-**	**-**	**-**	**-**	**3.51**	**4.09**
Loan and Other Payables								
MCS Holdings Pte. Ltd. #	6.75	6.75	-	-	-	-	6.75	6.75
Mercator Oceantransport Limited	0.02	0.02	-	-	-	-	0.02	0.02
Total	**6.77**	**6.77**	**-**	**-**	**-**	**-**	**6.77**	**6.78**
Managerial Remuneration Receivable from Director (Refer Note 3.21)								
H K Mittal	-	-	-	1.62	-	-	-	1.62
Total	**-**	**-**	**-**	**1.62**	**-**	**-**	**-**	**1.62**
Remuneration paid to key Management Personnel								
Mr Shalabh Mittal	-	-	-	0.97	-	-	-	0.97
Mr Rajendra Kothari	-	-	0.63	0.62	-	-	0.63	0.62
Ms Sangeeta Pednekar	-	-	-	0.06	-	-	-	0.06
Mr Gurpreet Malhi	-	-	1.09	1.30	-	-	1.09	1.30
Mr H K Mittal	-	-	-	0.00	-	-	-	0.00
Total	**-**	**-**	**1.72**	**2.95**	**-**	**-**	**1.72**	**2.95**

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

C) Compensation of key management personnel of the company

₹ in Crore

	Current Financial Year	Previous Financial Year
Short Term employee benefits	1.72	2.95
Total compensation of key management personnel	**1.72**	**2.95**

Key Managerial Personnel and Relatives of Promotors who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Ind AS financial statements. These employee benefits are lump sum amounts which were provided on the basis of actuarial valuation until previous year. No actuary valuation has been done in this year due to employees less than 10 during the year and the Company management being handed over to RP. Hence, the same is not included above and will be accounted as and when paid.

@ includes impact of revaluation of underlying foreign currency transaction at average exchange rate of respective year.

includes impact of revaluation of underlying foreign currency transaction at closing exchange rate of respective year end.

Transactions with foreign subsidiaries includes unrealised foreign exchange gain/loss.

Figures stated above for receivables are gross outstanding and provision of impairment wherever provided in financials have not been considered while reporting related party transaction.

amount excluding premium on redemption of NCDS

D) Sitting Fees Paid to Non-Executive Directors

₹ in Crore

	Current Financial Year	Previous Financial Year
Directors Sitting Fees	0.12	0.27

3.07 Disclosure as per Ind AS 17 "Leases":

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 INR 0.34 crore to retained earnings, on the date of initial application.

(A) Operating Lease (as Lessee):

Disclosures in respect of cancellable agreements for office premises taken on lease

₹ in Crore

		As at	
		March 31, 2021	March 31, 2020
(i)	Lease payments recognized in the Statement of Profit and Loss	-	2.19
(ii)	Significant leasing arrangements The Company has given refundable interest free security deposits under the agreements, against the premises already vacated.	1.08	1.08
(iii)	Future minimum lease payments under non-cancellable agreements		
	Not later than one year	NIL	NIL
	Later than one year and not later than five years	NIL	NIL
	Later than five years	NIL	NIL

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

(B) Operating Lease (as Lessor):

Disclosures in respect of cancellable agreements for office given on lease

₹ in Crore

		As at	
		March 31, 2021	March 31, 2020
(i)	Lease receipt recognized in the Statement of Profit and Loss	-	0.19
(ii)	Future minimum lease receivable under non-cancellable agreements		
	Not later than one year	Nil	Nil
	Later than one year and not later than five years	Nil	Nil
	Later than five years	Nil	Nil

3.08 The Company has recognized exceptional items in the previous years as follows :

1. The Company has provided impairment loss on all major investments amounting to INR 447.49 crore significant amount of which has been impaired on account of business valuations obtained by independent valuer report and non - realisability of investment and intercompany borrowing.

2. Impairment of loans given to subsidiaries amounting to INR 37.83 crore on account of reduction in cash generating capabilities in compliance to testing criteria of IND-AS 36.

3.09 Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Information related to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:

₹ in Crore

		As at	
		March 31, 2021	March 31, 2020
(i)	Principal amount outstanding	0.35	0.35
(ii)	Interest on Principal amount due #	0.26	0.19
(iii)	Interest and Principal amount paid beyond appointment day	Nil	Nil
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specific ed under MSME Development Act	Nil	Nil
(v)	The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act.	0.26	0.19

The Interest due has been computed basis the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, wherein it has been stated that if the buyer fails to pay MSME registered supplier within agreed timelines (if not agreed than 45 days), then buyer shall be liable to pay compounded interest with monthly rests to the supplier on that amount from the appointed date or as the case may be from the date immediately following the date agreed upon, at three times of the Bank rate notified by the Reserve Bank of India. The rate considered for above calculation is Current Year 13.00% (Previous Year 14.25%) per annum. This has not been accounted in the books of accounts.

3.10 Tonnage Tax Reserve

In terms of section 115VT of the Income Tax Act, 1961, the Company is required to transfer a minimum of 20% of book profits from the tonnage tax activities in tonnage tax reserve which are to be utilised for acquiring new ships within 8 years of such transfer. The Company has transferred INR Nil (Previous Year INR Nil) to Tonnage Tax Reserve as company has incurred a book loss of INR 203.77 crore (Previous Year Loss INR 1,025.32 crore).

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

3.11 Details of loans given, investment made and guarantee given covered under section 186(4) of the Companies Act. 2013:

(i) Loans and Advances

₹ in Crore

Name of the Company	Relationship	Nature of Transaction	As at	
			March 31, 2021	March 31, 2020
Mercator Offshore Logistic Private Limited	Subsidiary	Loans and Advances	2.03	2.03
Mercator Petroleum Limited #	Subsidiary	Loans and Advances	82.66	72.70
Mercator Offshore (P) Pte. Limited*	Subsidiary	Loans and Advances	1.43	1.43
Mercator Oil and Gas Limited#	Subsidiary	Loans and Advances	92.78	85.71
Oorja Resources India Private Limited	Subsidiary	Loans and Advances	0.05	0.63

All the above loans are utilized by respective companies for their business activities.

The particulars of company's investment in wholly - owned subsidiaries are disclosed in Note - 2.3

*Includes exchange fluctuation on reinstatement / repayment of Loans

Interest accrued on loan and optionally convertible debenture is also added in balance of loan receivable.

(ii) Investments during the year 2020-21

₹ in Crore

Name of Subsidiaries	Opening Balance	Additions	Deletions	Closing Balance
Mercator Petroleum Limited	79.54	-	-	79.54
Mercator International Limited @	426.60	-	10.93	415.67

@ Deletion represent revaluation impact during the year due to change of exchange rate.

Investments during the year 2019-20

₹ in Crore

Name of Subsidiaries	Opening Balance	Additions	Deletions	Closing Balance
Mercator Petroleum Limited	77.87	1.67	-	79.54
Mercator International Limited @	394.92	31.68	-	426.60

@ Addition represent revaluation impact during the year due to change of exchange rate.

(iii) Guarantees given

Corporate guarantees issued by the company on behalf of wholly owned Subsidiaries

₹ in Crore

Guarantee given on behalf of	Outstanding as at March 31, 2021	Outstanding as at March 31, 2020
Mercator International Pte. Limited*	88.21	90.46
MCS Holdings Pte Limited*	169.95	174.30
Mercator Oil and Gas Limited*	131.98	133.49
Mercator Petroleum Limited*	95.29	95.29
Total	**485.43**	**493.54**

*Parent Company guarantees issued in favour of Banks for Loans availed by the subsidiaries for their Business activities. The balances indicated above are based on the limited financial information available with the company. Refer note 3.29 for more details.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

(iv) Letter of Comfort (Promissory Note based)

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020
Letter of Comfort is issued in favour of Bank for the Loan availed by subsidiary for its business activity.	53.37	54.74

(v) Security Given

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020
Charge created on property of the company (Refer note 2.1(vii))	95.79	95.29

(vi) Security Taken

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020
Charge on fixed assets and cash flow of one of a Indian subsidiary for non- convertible debenture of the Company (Refer not 2.14 (a))	126.45	126.45
Pledge on shares of one of the subsidiary incorporated in India for loans against shares taken by the Company	12.55	16.50

3.12 Disclosure as required under Regulation 34(3) and 53(f) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015

₹ in Crore

Name of the Company	As at March 31, 2021	Maximum outstanding during 2020-21	As at March 31, 2020	Maximum outstanding during 2019-20
Mercator Oil and Gas Limited	92.78	92.78	85.71	86.43
Mercator Petroleum Limited	82.66	82.66	72.70	72.70
Mercator Dredging Private Limited (Formerly known as Mercator FPSO Private Limited)	2.03	2.03	2.03	2.03
Offshore Holdings Pte. Ltd.	-	0.00	-	174.47
Mercator Offshore (P) Pte. Ltd.	1.43	1.43	1.43	1.43
Oorja Resources India Private Limited	0.05	0.63	0.63	0.63

3.13 Income Tax expense

(A) Tax Expenses recognized in the Statement of Profit and Loss

₹ in Crore

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
Current tax		
Current tax on taxable income for the year	-	(0.45)
Excess/(Short) provision for tax of earlier years	(9.35)	-
Total Current tax expense (A)	**(9.35)**	**(0.45)**
Effective Tax Rate	**N/A**	**N/A**

Effective tax rate is not applicable as the Company is paying tax under tonnage tax provision under section 115V of Income Tax Act 1961. Other tax of earlier years represent write of off withholding tax for which credit is not available or taken in respective financial year.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

(B) Reconciliation between statutory Income Tax Rate applicable to the company and the effective Income Tax rate is as follows:

₹ in Crore

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
Profit before Tax	(203.77)	(1,025.32)
Indian statutory income tax rate	26.00%	34.94%
Expected income tax expense	**0.00**	**0.00**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Gain attributable to tonnage tax activity	-	(0.45)
Others earlier year adjustments	(9.35)	-
Total income tax expense	**(9.35)**	**(0.45)**

* Note: In case of Indian shipping companies, tax expense is computed based on the gross tonnage of the vessels for the income subject to tonnage tax. In case of income not subject to tonnage tax, the same is calculated based on the taxable profits calculated in accordance with the local tax laws.

In the view of management, since there was no business operations during the year, hence no tonnage tax is required to computed or provided in the books of accounts.

3.14 Corporate Social Responsibility (CSR)

Gross amount required to be spent by the company as per section 135 of the Companies Act 2013, during the year INR Nil.(Previous Year INR Nil)

3.15 Financial Risk Management Objectives and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Risk Management committee.

The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and Loans and borrowings.

The Company manages market risk through Risk Management committee, which evaluates and exercises independent control over the entire process of market risk management. The committee recommends risk management objectives and policies, which are approved by Risk Management and Board.

Risk management framework

The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operations and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation. Corporate Insolvency Resolution Process (CIRP) has been initiated in case of the Company and three of its subsidiaries under the Provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Company stand vested with the Resolution Professional (RP) appointed by the NCLT. The framework and the strategies for effective management will be established post implementation of Resolution Plan. Presently, the financial management activities are restricted to management of current assets and liabilities of the Company and the day to day cashflow and its associated risks are as under:

(a) Market Risk

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in interest rates.

There have been many delays and defaults during the year in payment of Interest and instalment dues. Given the fact, the Company is under moratorium under CIRP, any outcome will depend on the resolution, if and when, achieved under the process.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

Exposure to Interest rate risk

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020
Total Borrowings (including redemption premium amounting to INR 21.12 crore as on March 31, 2021 (Previous Year INR 13.27 crore)	964.03	962.25
% of Borrowings out of above bearing variable rate of Interest	68.92%	70.28%

The Company is exposed to interest rate risk as it borrows funds at floating interest rates. The interest rate risk is managed by monitoring the Company's level of borrowings periodically and structuring its borrowings on varying maturities and interest rate terms.

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the entire year.

A 50 basis point increase or decrease is used when reporting interest rate risk and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2021 would increase/decrease by INR 2.85 crore (Previous Year INR 3.38 crore). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

The RP has crystallised and admitted the claims in INR on February 07, 2021, accordingly there is no further exposure for interest risk in case of borrowings.

ii) Maritime Risk

The operations of the Company may be exposed to piracy, war, sabotage and terrorism risk at sea which could potentially disrupt the operations of the Company, if and when it commences. Also, the Company's vessels are susceptible to arrests by maritime claimants (which are already under arrest) which could result in significant loss for the Company. In times of emergency or wars, the Government could demand the Company's vessels without adequate compensation. The Company is having exposure of various specific compliance of renewal of non-operational vessels, payment of provident funds, TDS in relation to crew members etc which are pending on account of liquidity crisis. The Company has disclosed all such liabilities due and payable. Considering past events including the fact that one of the vessel of the company was sunk, company is at an exposure of damage of sea environment and there is a possibility of liability under applicable provision of Environment Laws.

iii) Other price risk:

The Company is not exposed to any significant equity price risks arising from equity investments, as on March 31, 2021. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade in these investments.

Equity price sensitivity analysis:

During the year, the share price of the company has shapely fallen and pursuant to that several financial creditors who has given loan against shares have sold pledged shares of promoters in market at various prices. This has further impacted on volatility and columns in market and reduced prices. During the year, the Company has faced few block deals on stock exchanges for offloading of shares. There is a change of capital structure for holding of promoters as well as holding of Foreign Institutional Investors (FII).

iv) Foreign currency risk

Foreign currency risk mainly arises from transactions undertaken by an operating unit denominated in currencies other than its functional currency. Pursuant to sale of vessels and discontinuation of several charter hire contracts, the exposure to foreign currency risk has been changed considerably. Presently the company is not having significant arbitrage advantage as intercompany loans outstanding has been provided in the books. In addition to that for incremental exposure, the financials will have an impact on fluctuation of foreign currency rates. The company have not entered into any arbitrage facility for hedging purpose.

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

Since, a significant amount of revenue and exposures are denominated in US dollars, there is a translation risk as the Company has to report its financial performance in INR. The carrying amounts of the Company's financial assets and financial liabilities denominated in foreign currencies at the reporting date in INR are as follows:

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020
Cash and Cash equivalents		
- USD	0.00	0.00
Other Financial Assets		
- USD	420.88	431.71
Borrowings		
- USD* #	-	446.16
Other Financial Liabilities		
- USD	2.17	63.58
- SGD	-	0.13
- AED	-	0.08
- Euro	-	0.02
- JPY	-	0.01

*Borrowings includes USD Loan of INR NIL (Previous year INR 109.37 crore) where exchange fluctuation impact on revaluation amounting to INR Nil (Previous Year INR 5.47 crore) are capitalised as per Ind AS 101.During the current financial year,considering the fact that the majority of vessels are sold or impaired, no such accounting adjustment has been carried in the carrying balances.

As stated in note 3.25 , the RP has crystallised and admitted the claims in INR on February 07, 2021, accordingly there is no further exposure for currency risk in case of borrowings.

(b) Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Financial assets are written off when where there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. When such recoveries are made, these are then recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates.

(a) **Trade Receivable**

Ageing of Accounts Receivables

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020
Less than 180 days	-	1.56
More than 180 days	41.78	44.39

Financial assets are considered to be of good quality and there is no significant increase in credit risk

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

The details of other provisions and its movement included in Note 2.29 is as under:

Provision / Bad Debt

₹ in Crore

Particulars	Trade Receivables	Capital Advances	Loans and Advances	Inter Corporate Deposit	Total
Opening Balance as on April 01, 2020	3.47	0.00	17.47	0.00	20.94
Transaction during the year					-
Bad Debt written off against opening provision/Reversal	(2.00)				(2.00)
Closing Balance March 31, 2021	**1.47**	**0.00**	**17.47**	**0.00**	**18.94**
Opening Balance as on April 01, 2019	101.91	5.40	19.32	18.00	144.63
Transaction during the year	3.47		17.47		20.94
Bad Debt written off against opening provision	(101.91)	(5.40)	(19.32)	(18.00)	(144.63)
Closing Balance March 31, 2020	**3.47**	**0.00**	**17.47**	**0.00**	**20.94**

(b) **Expected Credit Loss**

₹ in Crore

Particulars	Trade Receivables	Capital Advances	Loans and Advances	Inter Corporate Deposit	Total
Opening Balance April 01, 2020	2.28	16.32	0.66	-	19.26
Reclassification during the year	0.59	-	-		0.59
Reclassification during the year			(0.59)		(0.59)
Closing Balance March 31, 2021	**2.87**	**16.32**	**0.07**	**-**	**19.26**
Opening Balance April 01, 2019	2.20				2.20
Provision During the year	0.08	16.32	0.66		17.06
Closing Balance March 31, 2020	**2.28**	**16.32**	**0.66**	**-**	**19.26**

(c) **Cash and cash equivalents and Other bank balances**

The Company held cash and cash equivalents and other bank balances of INR 6.66 crore as at March 31, 2021 (Previous Year INR 1.02 crore). The cash and cash equivalents are held with bank with good credit ratings.

(d) **Other financial assets**

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired

(e) **Investments**

The company does not have any exposure in other Investment except Investment in subsidiaries and loan and advances given to these parties. The company has made provision for impairments at regular intervals and disclosed in the financial statements.

(c) Liquidity Risk

Liquidity risk is the financial risk that is encountered due to uncertainty resulting in difficulty in meeting its obligations and deployment of assets for its economic use. An entity is exposed to liquidity risk if market on which it depends are subject to loss of liquidity for any reason; intrinsic to its business operations, availability of contractual obligation, affecting its credit rating, positive outcome of existing litigations filed by subsidiaries and realisation of their assets, or unexpected cash outflows. Prudence requires liquidity risk to be managed in addition to market, credit and other risks as it has tendency to compound other risks. It entails management of asset, liabilities focused on a medium to long-term perspective and future net cash flows on a day-by-day basis in order to assess liquidity risk.

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for the year ended March 31, 2021

The Company is under Corporate Insolvency Resolution Process (CIRP). The Company depends upon operational deployment of its vessels and timely receipt thereto as well as vendor payments (including settlement and litigations) can severely impact the current level of operation. Liquidity crises had led to default in repayment of principal and interest to lenders. Several subsidiaries of the Company are also under financial stress or under liquidation / insolvency proceedings. Given the fact, the Company is under moratorium under CIRP, any outcome will depend on the resolution, if and when, achieved under the process.

The following tables detail the Company's remaining contractual maturity for its non derivative financial liabilities, based on contractually agreed discounted cash flows:

Maturity Analysis of Significant Financial Liabilities

₹ in Crore

As at March 31, 2021	Contractual Cash Flows				
	Up to 1 year	1-3 years	3-5 years	More than 5 years	Total
Financial Instruments					
Borrowings	964.03	-	-	-	964.03
Trade Payables	43.46	-	-	-	43.46
Other financial liabilities	367.45	0.03	-	-	367.48
	1,374.94	**0.03**	**-**	**-**	**1,374.97**

As at March 31, 2020	Contractual Cash Flows				
	Up to 1 year	1-3 years	3-5 years	More than 5 years	Total
Financial Instruments					
Borrowings	962.25	-	-	-	962.25
Trade Payables	48.05	-	-	-	48.05
Other financial liabilities	184.82	0.03	-	-	184.85
	1,195.12	**0.03**	**-**	**-**	**1,195.15**

(d) Legal Risk

In view of the financial position and corresponding various payment defaults, the Group is exposed to a large number of litigation risks. The Group has also filed several cases or counter claims directly or through its subsidiaries where significant amount is involved in litigation or may be recovered upon settlement. The various litigations are in process which have been covered in notes of the consolidated financial statement and in the view of the uncertainties involved it is not possible to estimate the possible impact of the same on the Financial Statements.

3.16 Capital Management

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. However, the entire networth of the Company is fully eroded and the Company is under CIRP.

The debt equity for the year is as under:

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020
Borrowings (INR in crore) - (A)	964.03	962.25
Total Equity (INR in crore) - (B)	(984.39)	(771.26)
Debt Equity Ratio (A/B)	(0.98)	(1.25)

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3.17 During the year, the Company has identified and made provision for doubtful debts and advances of INR Nil (Previous Year INR 3.47 crore net of balance written back) for balances outstanding more than 6 months and which are doubtful for recoveries.

3.18 During the year, the Company has provided expected credit loss amounting to INR Nil (Previous Year INR 17.06 crore) on capital advances given to few parties pending realisation / adjustment at year end and remote visibility of any recoverability on account of their financial position.

3.19 The Company does not have any long term contracts including derivative contracts as at March 31, 2021 wherein the company is required to make provision towards any foreseeable losses.

3.20 During the year, the Company and its promoter director have entered into settlement agreement by way of a Memorandum of Understanding (MoU), to settle the dues with a lender with a principal liability of INR 6 crore at an amount of INR 1 crore. As per the terms of the agreement executed on June 18, 2020, the same has been discharged by the promoter director of the Company, being the guarantor under the credit facility and the resultant gain of INR 5 crore arising on extinguishment of liabilities to the company has been accounted as 'Other Income' in the current year. The interest payable to the lender as on the date of execution of MoU amounting to INR 2.44 crore (including Rs. 1.90 crore as on March 31, 2020 which has been reversed and Rs.0.54 crore pertaining to June 2020 which has not been accounted) has been reversed / forgone. The reversal has been included in "Other Income".

3.21 In view of ongoing default in repayment of loans from Banks and Financial Institutions / Non-Banking Finance Companies in September 2018 and onwards, as on March 31, 2020 the managerial remuneration paid to a promoter director was in excess of the prescribed limits, to the extent of INR 1.62 crore, as per Companies Amendment Act 2017 (effective from 12th September 2018). The excess pay out had been reversed and the same was recoverable from him as on March 31, 2020. In view of the expert opinion obtained by the Company during the year, the Company has adjusted entire amount recoverable against the payment made by the promoter director on behalf of the Company of INR 1 crore under the settlement agreement (Refer note 3.20) and amount of INR 0.62 crore towards other outstanding payables by the Company towards reimbursements.

3.22 Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 1 to the financial statements.

(a) The carrying value of financial instruments (excluding impairment provision) by categories is as follows -

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020
Financial assets:		
Measured at amortised cost		
Cash and cash equivalents	1.51	0.86
Bank balances other than Cash and cash equivalents	5.15	0.16
Loans	125.33	121.59
Trade receivables	41.78	45.95
Investment in Debentures of Subsidiary	31.61	31.61
Investment in Non Redeemable Preference Shares of Subsidiary	415.67	426.31
Other Financial assets	64.19	59.38
Measured at Cost		
Investment in Equity Shares of Subsidiaries	53.37	53.37
Investment in Equity Shares-Others	0.00	0.00
Total	**738.61**	**739.23**
Financial liabilities:		
Measured at amortised cost		
Borrowings	964.03	962.25
Other financial liabilities	367.48	184.85
Trade and other payables	43.46	48.05
Total	**1,374.97**	**1,195.15**

Notes forming part of the standalone financial statements

for the year ended March 31, 2021

Carrying amounts of trade receivables, cash and cash equivalents and trade payables as at March 31, 2021 and March 31, 2020 approximates the fair values because of their short term nature. Difference between carrying amounts and fair values of other bank balances, borrowings, and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented. Given the fact, the Company is under CIRP, the fair value will depend on the resolution, if and when, achieved under the process.

(b) Fair Value Hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active market for identical assets or liabilities

- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a) The fair value of loans from banks and other financial indebtedness as well as other non current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.

b) Derivative instruments have been fair valued on the reporting date on the basis of quotes provided by the third party qualified valuer / market participants.

However, none of the financial assets and liabilities have been fair valued during the current year and previous year.

3.23 A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Pursuant to the order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who had been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC).

The standalone financial statements of Mercator Limited (hereinafter referred as "the Company") for year ended March 31, 2021 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors chaired by the Resolution Professional (RP) held on June 23, 2021. The said standalone financial statements of the Company have been prepared by the management of the Company and certified by the Director and Chief Financial Officer of the Company. The RP has relied upon the assistance provided by the members of the Audit Committee in review of the financial results and certifications, representations and statements made by Director of the Company in relation to these financial statements. As authorised, Director and Chief Financial Officer of the Company have signed the financial statements and the RP has taken on record the said statement of financial statements only to the limited extent of 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.

3.24 Disclosure of Going Concern Assumption

The financial statements of the Company have been prepared on a going concern basis by the management. The company has incurred a net loss increasing its negative retained earnings as at March 31, 2021, wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net-worth. Further, the Company had since disposed off the substantial part of the Property, Plant and Equipment (PPE). As on March 31, 2021 the Company has only two non operating dredgers which have been arrested by operational creditors. 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 Note 3.23, a CIR process has been initiated by Hon'ble NCLT, Mumbai. It may be further noted that in consonance with the stipulations contained in Section 14 of the Code, a moratorium has been declared in the aforesaid order passed by the Hon'ble NCLT, inter alia, prohibiting the following:

Notes forming part of the standalone financial statements

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(a) the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or other in any court of law, tribunal, arbitration panel or other authority;

(b) transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

(c) any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

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

The management / RP is of the view that they are making best efforts to achieve favourable order in ongoing litigations in order to protect the value of its assets and is making efforts to revive operations. As per rules and regulations of the Corporate Insolvency Resolution Process (CIRP) stipulated under the Insolvency and Bankruptcy Code, 2016, RP has invited Resolution Plans from the eligible Prospective Resolution Applicants (PRA). Further, the Company believes that the claims receivable for INR 1,580 crore at the group level could, if realised, provide a reasonable sufficient opportunity for the repayment of loans from lenders and provide required resources for the development of business opportunities for the revival.

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

3.25 As per the Code, the RP has to receive, collate and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the COC. The RP is still in the process of collating and verifying such claims, as and when they are received, and shall subsequently admit such verified claims against the Company as per the Code. Pending admission of the claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the audited financial statements. Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on Insolvency Commencement Date ("ICD date") (INR 920.49 crore). Total amount of claims towards principal dues of the financial creditors as on March 31, 2021 stand as under:

	Particular	INR in crore*
(a)	Principal amount of Loans admitted by RP	920.49
(b)	Claims under verification by RP/Not filed	22.43
	Total*	**942.92**

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

Finance cost amounting to INR 210.12 crore for the year ended March 31, 2021 includes INR 101.03 crore towards penal interest levied by lender(s) on loans recalled / event of default. Interest or any other charges has not been accrued in the books of accounts from the date of commencement of CIR process, i.e. 8th February, 2021 onwards, on account of moratorium under section 14 of Code.

3.26 The Company had impaired investment amounting to USD 56.65 million (INR 415.67 crore) in Non Cumulative Redeemable Preference Shares (NCRPS) of its wholly owned subsidiary Mercator International Pte Ltd, Singapore (MIPL) in the previous year. The step-down Subsidiary Company had last carried out valuation of coal business taking cut-off date December 31, 2020 for the purpose local reporting requirement and the same has been considered for financial reporting as on March 31, 2021 as well. However, due to on-going events such as commencement of liquidation

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proceedings in Mercator International Pte. Ltd (MIPL), Singapore with effect from April 9, 2021 and non-availability of audited financial statements of step down coal subsidiaries at Indonesia for year ended March 31, 2021, any impact on the valuation is not known as on the date. The coal business is housed in companies which are a subsidiary of MIPL and given the fact that a liquidation has been ordered in case of MIPL by the High Court of the Republic of Singapore, the coal business will be monetized by the liquidator of MIPL or the receiver appointed by the financial creditors with whom the shares of the subsidiary owning the coal business have been pledged, as the case may be. The residual value, if any, after settling the debts of the financial and other creditors would be available for redemption of the NCRPS of MIPL held by Mercator Limited and accordingly the entire impairment provision continues to be held.

3.27 With respect to Mercator Oil and Gas Limited (MOGL), which is a material subsidiary of the Company -

a. was engaged in EPC project awarded by ONGC for conversion of their Mobile Offshore Drilling Unit (MODU) 'Sagar Samrat' into a Mobile Offshore Production Unit (MOPU). On September 25, 2018, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project after completing almost 96% of the project work. MOGL has since initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed. The proceedings are underway. In addition to above, based on the order of Hon'ble Bombay High Court dated July 29, 2019, ONGC had invoked Bank Guarantee amounting to INR 142.19 crore which had been accounted in the books of the accounts of MOGL in the quarter ended June 30, 2019. Based on the progress of the arbitration proceedings and discussion with the legal counsel, the management is hopeful of a positive outcome in the claim of INR 1,925 crore filed against ONGC.

   In the view of the management and based on legal advice, a claim of INR 1,925 crore (USD 262 million) has been made by the subsidiary company on ONGC. In the view of the management and based on legal advice, an estimated amount of INR 1274 crore (USD 173.36 million) could probably be awarded as payable to the Company. However, any impact of the settlement will be known only after completion of the ongoing arbitration proceedings.

   Given the total claim made by MOGL, as stated above, the Company is confident of realising the amounts carried as receivable in the Financial Statements of respective subsidiary.

b. Further, one of the operational creditors has filed petition u/s 9 of IBC 2016 wherein the NCLT bench has kept the status as "Reserved for Order".

c. In view of the management, based on the facts stated above, out of the total outstanding loan given to MOGL amounting to INR 92.78 crore, an amount of INR 35.70 crore has been impaired based on the assessment of the management and balance amount of INR 57.08 crore as on March 31, 2021 is considered as fully realisable by the management.

3.28 With respect to Mercator Petroleum Limited (MPL), which is 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 has demanded costs and other dues to be determined as per terms and conditions of PSC. The management of MPL and the Company is confident of defending the amounts claimed by Directorate General of Hydrocarbon (DGH). In event of rejection of subsidiary's contention, estimated financial impact on MPL would be approx. INR 35.80 crore.

b. The Board of Directors has approved strategic sale of participating interest in oil block CBONN- 205/9 (CB-9) of MPL. The subsidiary company has executed Farm in Farm Out agreement dated December 26, 2019 with a prospective buyer at a sale price of Rs.252 crore. MPL has executed an amendment to the original Farm in Farm Out agreement dated December 26, 2019 for extension of the long stop date to October 31, 2020. The Company could not conclude the sale with the prospective buyer within the said extended long stop date on account of intiatiaion of the Corporate Insolvency Resolution Process (CIRP) with effect from August 31, 2020.

c. The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) was filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against one of the material subsidiary of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order who has taken charge under the directions of the Committee of Creditors Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. In terms of the update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had invited Resolution Plans from the eligible bidders. IRP had received a positive response and as part of the process, the Resolution Applicants have been carrying out the necessary due diligence.

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d. The Company has receivable towards loan given of INR 114.26 crore (including debentures) to Mercator Petroleum Limited (MPL) as on March 31, 2021, against which impairment of INR 16.02 crore has been created and balance outstanding as on March 31, 2021 is INR 98.24 crore. During the year ended March 31, 2021, the Company has provided additional impairment of INR 4.59 crore towards accrued interest on loan to Mercator Petroleum Limited (MPL), INR 1.89 crore in the year ended March 31, 2021 towards interest accrued on 6% optionally convertible debentures issued by MPL and INR 3.49 crore in the year ended March 31, 2021 towards amount advanced to MPL (other receivables). In view of the management, the outstanding receivable amount is fully realisable.

3.29 Non – receipt of Audited or management certified Financial Statements from subsidiaries (Step – down subsidiaries)

Indian Subsidiaries –

a. The financial statements of MPL, a material subsidiary, have neither been audited nor have been certified by the management or IRP.

b. The financial statements of MOGL, a material subsidiary, have neither been audited nor have been certified by the management.

c. The financial statements of certain other non - material subsidiaries of the Company, namely Oorja Resources India Pvt. Ltd, Mercator Offshore Logistics Pvt. Ltd. and Offshore Transport Pvt. Ltd., have neither been audited nor have been certified by the respective management.

Overseas Subsidiaries –

d. Financials Statements of all Singapore subsidiaries and step down subsidiaries except Mercator International Pte Ltd. (MIPL) and MCS Holdings Pte Ltd. (MCS) have neither been audited nor have been certified by the management.

e. Standalone Financial Statements of MIPL (under liquidation) and MCS (under Liquidation) have been certified by the management, however the same have not been audited.

f. Audited or management certified Financial Statements of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the year ended March 31, 2021 have not been provided to the Parent Company and hence their financial statements available for the 9 months period ended December 31, 2020 have been considered for the purpose of preparation of Financial Statements of Mercator Limited for the year ended March 31, 2021.

Had the Financial Statements as on March 31, 2021 of all above mentioned subsidiaries were either certified by the management or audited by the auditor of the respective companies, these may have had an impact on the Financial Statements of the Mercator Limited. Further, Ind AS 110 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. and 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.

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

3.31 All of the directors on the Board of Directors of the Company are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.

3.32 In case of a material step down subsidiary of the Company, PT Karya Putra Borneo (KPB) Operating Coal mines in Indonesia, a minority shareholder had raised a frivolous claim with respect to the entire /shareholding of the said subsidiary Company. The subsidiary has received favourable orders from the relevant Courts in this matter and the formalities for restoring the shareholding in the public records is in process. This step down subsidiary is held through MIPL, which has been substantially impaired in the books of accounts.

3.33 The Company has an insurance claim amounting to INR 54.28 crore, being the balance amount payable against a total loss claim (INR 225.29 crore) on a vessel pertaining to the year 2012-13, which has been considered fully recoverable by the management and is supported by a legal opinion. The litigation is up for final hearing at National Commission, New Delhi and the matter was last listed for final hearing on May 17, 2021 but due to pandemic the case has adjourned to another date to be notified.

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3.34 During the previous year ended March 31, 2020, financial lender of a one of step down foreign subsidiary has invoked Letter of Comfort (LOC) amounting to INR 244.61 crore (USD 35.20 million) issued to local lender by the Company, which has resulted in a claim of debt of such amount with interest on the Company as on March 31, 2020. A part of such loan, amounting to INR 174.47 crore, has been recovered by the lender on May 9, 2019 from the sales proceeds of sale of vessel "Nerissa" in the step down subsidiary and balance amount has been recognised as a loan by the Company.

3.35 One of the NBFC lender has invoked 2,55,00,000 No. of shares of promoters on July 2, 2020. The Company has consequently adjusted in its books the outstanding due in part amounting to INR 3.95 crore.

3.36 One's Forte Co. Ltd of Japan had filed a suit for arrest of Vedika Prem in Gujarat on October 6, 2016 for its claim of INR 0.40 crore being claim for necessities supplied to vessel and outstanding under invoices. The Company had settled the claim for outstanding invoices and issued Demand draft no. 501907 dated October 10, 2016 for INR 0.41 crore . Having come to notice that One's Forte Co. Ltd. had filed caveat against release, the Company has submitted another DD for INR 0.92 crore in favour of plaintiff for settlement of caveat amount. For the balance amount of INR 0.51 crore the Company had disputed its liability to pay such amount to the plaintiff as these were Mercator Lines Singapore (MLS) dues but in order to ensure release and sail of vessel, the Company deposited INR 0.51 crore by way of Demand Draft in favour of "Registrar High Court of Gujarat" pursuant to which Vedika Prem was released by order dated October 10, 2016. One's Forte Co. Ltd. had filed new suit for recovery of disputed amount INR 0.51 crore being the suit no.41 of 2016. The Company had also filed written statement on April 18, 2018. Thereafter, the parties had agreed to settle the matter for USD 30,000 (i.e. INR 0.21 crore) to be paid out of security amount to Ones Forte and remaining amount was to be returned to the Company. Accordingly, the Settlement Agreement was signed on January 9, 2020 by the Company but One Forte Co. Ltd. backed out of signing the said Settlement Agreement.

Subsequently, the Company has also received Debt Forgiveness Notice on December 28, 2020 from One's Forte Co. Ltd. Now, the Company is in the process of making an application to the Gujarat High Court for release of security deposit amount of INR 0.51 crore plus accrued interest thereon. The Company had passed a circular resolution on February 2, 2021 for the signing of an application to be made to Gujarat High Court for release of security deposit amount of INR 0.51 crore with respect to Admiralty Suit No. 41 of 2016 filed against the Company by One's Forte Co. Ltd.

3.37 During the previous year ended March 31, 2020, the subsidiary companies namely Mercator Oil and Gas Limited (MOGL) and Mercator Petroleum Limited (MPL) had approached the Company for seeking waiver in charging interest on loan and debenture outstanding in respective companies on account of contingencies in case of arbitration claim of ONGC and delayed realisation and completion of sale of oil blocks respectively. Based on approval by the Board of Directors of the Company and subsequent approval of members of the Company accorded in its annual general meeting held on December 29, 2020, under Section 186 and other applicable provisions of the Companies Act, 2013 and all other applicable laws and regulations, the modification/variation in the terms of loans has been as under:

(i) The repayment of loans to MOGL and MPL along with accrued interest thereon, have an extended bullet repayment due date of on or before 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 been considered and recognized as an event of default (EOD) and communication with respect to recognition of EOD, if any, made in the past in this regard is waived.

The Company continues to maintain its claim of interest and hence has accounted for interest from its subsidiaries amounting to INR 12.15 crore for the year ended March 31, 2021 and consequently impaired amounting to INR 9.32 crore for the year ended March 31, 2021, net of reversal, based on the assessment of the financial position of the subsidiaries.

3.38 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.

3.39 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,

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sanitization of wo spaces etc. The extent and duration of COVID-19 is currently unknown and depends on future developments that are uncertain. Any resultant outcome and impact on business, due to this is unpredictable. In assessing the recoverability of Company's assets such as Investment, Loans and other receivables, the management has used internal and external source of information up to the date of approval of these financial results. Given the uncertainties, the impact of COVID-19 may be different from that estimated as at the date of approval of these financial results, and the Company will continue to closely monitor the developments.

3.40 The Company had entered into settlement agreements with approval of NCLT with few operational creditors amounting to INR 3.94 crore which were to settled to the tune of INR 1.57 crore. However, the balance commitment is yet to be discharged by the Company.

3.41 During the year, 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.

As on March 31, 2021, there were 5 directors on the Board of Company including a woman director, which has been intimated to NSE as well. 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.

Changes in directors' during the year:

a. Ms.Ameeta Trehan, an Independent Woman Director on the Board of Directors of the Company, has resigned with effect from September 1, 2020, citing personal reasons. Thereafter, Mr. Chetan Desai, Mr.M Agrawal and Mr.Anil Khanna, Non-Executive Independent Directors of the Company resigned with effect from September 25, 2020, September 29, 2020 and October 1, 2020 respectively citing personal reasons.

b. Mr. Jagmohan Talan, Mrs. Ritu Vats and Mr. Sukhdarshan Singh Bedi were appointed as Additional Directors (Non-Executive & Independent) of the Company with effect from September 23, 2020 for a tenure of 5 years However, Mrs. Ritu Vats vide email dated June 19, 2021 and Mr. Jagmohan Talan vide email dated June 21, 2021, has tendered their resignation as Independent Directors of the Company with effect from June 19, 2021 and June 21, 2021 respectively citing personal reasons.

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

However, since the Company is currently undergoing the Corporate Insolvency Resolution Process and in view of RP, the acceptance of the resignations tendered by the directors and CEO is subject to the relevant provisions of the Insolvency and Bankruptcy Code, 2016.

3.42 Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements except otherwise stated in above notes wherever applicable depends on its ability to determine material financial impact and appropriateness.

3.43 Previous year's figures have been regrouped / restated wherever necessary to conform to current year's classification.

As per our report of even date
For Singhi & Co.
Chartered Accountants
Firm registration No: 302049E

S. Chandrasekhar
Partner
Membership No : 007592
Place: Mumbai
Date: June 23, 2021

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Rajendra Kothari
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: June 23, 2021

Independent Auditor's Report

To The Members of Mercator Limited

Report on the Audit of Consolidated Financial Statements

Adverse Opinion

1. We have audited the accompanying Consolidated Financial Statements of Mercator Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31 2021, the Consolidated Statement of Profit and Loss, [including Other Comprehensive Income], the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter(s) described in the 'Basis for Adverse Opinion' section of our report, the accompanying Consolidated Financial Statements do not give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2021, of consolidated loss [including other comprehensive income], its consolidated cash flows and the consolidated changes in equity for the year then ended.

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

Basis for Adverse Opinion

3. We draw attention to –

a. Note No. 3.08 of the Consolidated Financial Statements regarding preparation of the Financial Statements on a going concern basis. The financing arrangements for the group have expired and the substantial amounts have been recalled and are due and payable as on March 31, 2021. Besides the NCLT has admitted the petition of the Financial Creditors vide its Order dated February 8, 2021 and proceedings under the IBC have been initiated on the Holding company. Further, certain cases have been filed by operational creditors and financial creditors in National Company Law Tribunal (NCLT) against one of the material subsidiaries of which NCLT has admitted the application vide order dated August 31, 2020 and IRP has been appointed. Also, we have been informed by the management that a liquidator has been appointed for one material direct subsidiary effective April 9, 2021. The Group has been unable to conclude re-negotiations or obtain replacement financing for repayment of its overdue financing arrangements. The Group has accumulated losses and has incurred significant losses during the current period and previous financial year. The Group also has substantial disputed receivables, which are not readily realizable to service the Group's current liabilities and the Group's net worth has also been fully eroded along with the inability to meet its current liabilities which substantially exceeds its current assets. The management has not shared a revival plan for the Group to continue as a going concern and hence in the absence of the same we conclude that the going concern assumption has been vitiated. The Consolidated Financial Statements have however been prepared on a going concern basis by the management.

b. Note No 3.14 of the Consolidated Financial Statements, regarding the balances restated in the books of accounts of the Holding Company pursuant to admission of the claims submitted by the financial creditors, of which Rs. 22.43 crore is still under verification/not filed with Resolution Professional (RP). We are unable to comment on the financial impact of the same on the consolidated financial statements.

c. Note No. 3.15 of the Consolidated Financial Statements, 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 of none of the subsidiaries have been audited as at and for the year ended March 31, 2021 and hence, we are unable to express any opinion on the subsidiary financial statements and thereby on the consolidated financial statements / financial information given the materiality of the subsidiaries. Status of financial information considered in preparing Consolidated Financial Statements is as under –

Sr. No.	Name of the Subsidiary Company	Status of Audited Financial Statements / Management certified Financial Statements	Financial Statement / Financial Information available for the period ended
1	Mercator Oil and Gas Limited (MOGL)	Not Available	Mar'2021
2	Mercator Petroleum Limited (MPL)	Not Available	Mar'2021
3	Oorja Resources India Private Limited.	Not Available	Mar'2021
4	Mercator Dredging Private Limited. (FPSO) (Formerly Mercator Offshore Logistic Private Limited)	Not Available	Mar'2021
5	Mercator Oceantransport Limited	Not Available	Mar'2021
6	Mercator International Pte. Limited	Management Certified	Mar'2021
7	Offshore Holdings Company Pte. Limited	Not Available	Mar'2021
8	Oorja Holdings Pte. Limited.	Not Available	Mar'2021
9	Mercator Energy Pte Limited	Under Liquidation	June'2020
10	Mercator Offshore Assets Holding Pte Limited	Under Liquidation	June'2020
11	Mercator Offshore (P) Pte Limited	Under Liquidation	June'2020
12	Panther Resources Pte Limited	Not Available	Mar'2021
13	Oorja (Batua) Pte. Limited	Not Available	Mar'2021
14	Oorja 1 Pte. Limited	Not Available	Mar'2021
15	Oorja Mozambique Lda	No Financials	Mar'2020
16	MCS Holdings Pte. Ltd.	Management Certified	Mar'2021
17	PT Karya Putra Borneo	Not Available	Dec'2020
18	PT Indo Perkasa	Not Available	Dec'2020
19	Oorja Indo Petangis Four	Not Available	Dec'2020
20	Oorja Indo Petangis Three	Not Available	Dec'2020
21	Bima Gema Permata, PT	Not Available	Dec'2020
22	Oorja Indo KGS	Not Available	Dec'2020
23	Broadtec Mozambique Minas Lda	Not Available	Mar'2020
24	Marvel Value International Limited (BVI)	Dissolved effective Aug'20	August'2020

Further, due to non – availability of the relevant financial information from the subsidiaries, certain reporting done in the statement of cash flow may not reflect the correct position.

d. Note No 3.14 of the Consolidated Financial Statements, regarding interest or any other charges not being accrued in the books of accounts of the Holding Company from the date of commencement of CIR process, i.e. 8th February, 2021 onwards, on account of moratorium under section 14 of Code.

e. Note No. 2.3(c) of the Consolidated Financial Statements, regarding the Group's investment carried at Fair Value through Profit and Loss Account pertaining to its coal mining and related infrastructure assets in Indonesia on which reduction in fair value of Rs. 24.56 crore was recognized during the year ended March 31, 2021 basis an independent valuation report conducted on December 31, 2020. We are unable to comment on the impact on the fair valuation of these financial assets and consequently the financial statements, had the valuation been done as on March 31, 2021 or the impact of the liquidation of the intermediate subsidiary.

f. Note No. 3.06(iii) of the Consolidated Financial Statements, regarding unprovided current tax demands under dispute, pertaining to Holding Company, to the tune of Rs. 63.18 crore pending at various judicial forums of the Income Tax department. In the absence of the required supporting documents justifying the stand of the Holding Company we are unable to comment on final outcome of such assessments and the potential financial impact of the same.

g. Note No. 3.11(a) of the Consolidated 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 amount standing under Other Financial Assets is Rs. 204.60 crore. The amount of recoverability and ultimate impairment would depend on the outcome of the arbitration proceedings, which is uncertain as on the date of financial statements.

h. Note No. 3.11(b) & 3.11(c) of the Consolidated Financial Statements, regarding one of the consortium partners in SSCP ('GPC') has filed a claim against the MOGL in Abu Dhabi First Instance Court wherein the Court after review sought for work undertaken and change of assessment base, ordered MOGL to pay USD 5.7 million (equivalent Rs. 41.90 crore) and interest @ 5% p.a. from date of case filed until actual payment. However, MOGL had not accepted the claim and recognized Rs. 22.97 crore as contingent liability on the subject matter. Further, one of the operational creditors has filed petition u/s 9 of IBC 2016 wherein the NCLT bench has kept the status as "Reserved for Order". The financial statements as on March 31, 2021 has been incorporated basis the information available with the management of the Holding Company, however the same is not certified by the management of the MOGL. In the view of the above, we are unable to comment on the potential financial impact of the same on the Consolidated Financial Statements.

i. Note No. 3.12(a) of the Consolidated Financial Statements, regarding notice received by a subsidiary company, Mercator Petroleum Limited (hereinafter referred to as "MPL"), from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per terms and conditions of PSC. In case MPL's stand is not accepted by MOPNG, the estimated financial impact on the group would be to the tune of Rs. 35.80 crore. Further, the impact of insolvency proceedings, as MPL is under insolvency, the impact of the same has not been considered.

j. Note No. 3.12(b) & 3.12(c) of the Consolidated Financial Statements, regarding the fact that, MPL had entered into a Farm-in Farm-out ('FIFO') agreement and deed of assignment with one of the prospective buyers for sale of participating interest ('PI') in oil block CB-9. As per the FIFO agreement, the estimated sale price for PI in CB-9 was approximately Rs. 252 crore however the long stop date has expired and the transaction has not been concluded as yet. MPL on the basis of the aforesaid agreement had re-valued its non-current asset and provided impairment loss aggregating to Rs. 12.75 crore in the previous financial year. As per Ind AS 105, an entity should value its non-current asset held for sale at the lower of carrying amount or fair value. Further, the petition filed in NCLT, Mumbai Bench by an operational creditor against MPL has been admitted vide Order dated Aug 31, 2020 and an Interim Resolution Professional (IRP) has been appointed. As per the explanations provided to us and basis the financial statements / financial information provided by the management / RP of the Holding Company, MPL has not been able to provide any valuation report with respect to fair value of oil block CB-9 on which reliance can be placed. The financial statements as on March 31, 2021 has been incorporated basis the information available with the management of the Holding Company, however the same is not certified by the management or IRP of the MPL.

k. Note No. 3.16 of the Consolidated Financial Statements, the Holding Company has failed to pay the installment due of the debentures on the due date and failed to pay the interest due thereon for a continuous period of more than a year. Hence, all the directors of the Holding Company are disqualified from being appointed as director in terms of Section 164 (2) of the Act.

l. Note No. 3.17 of the Consolidated Financial Statements, regarding balance confirmations not been received in respect of various secured / unsecured loans, trade receivables, trade and other payables, and loans and advances for several entities of the group as a result of which reconciliation process and consequential adjustments, if any, has not been carried out in these entities. The Group has adjusted / provided significant amounts basis its internal estimates, against which necessary supporting documentation has not been made available for verification.

m. Note No. 3.18 of the Consolidated Financial Statements, regarding non – compliance of Section 134 and 149 of the Companies Act 2013 in case of certain material subsidiaries

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for adverse opinion on the Consolidated Financial Statements.

Emphasis of Matter

4. We draw attention to –

a. Note No. 3.10 of the Consolidated Financial Statements, regarding receivable from an insurance Company amounting to Rs. 54.28 crore pertaining to total loss claim on a vessel pertaining to the year 2012-13, which is under litigation and has been considered fully recoverable by the management and is supported by a legal opinion.

b. Note No. 3.13 & 3.19 of the Consolidated Financial Statements, regarding payments made by the promoter director by way of a settlement agreement with one of

the unsecured lenders on behalf of the Holding Company resulting in a net gain of Rs. 6.90 crore to the Company. The above amount settled by the promoter director with the unsecured lender along with other pending reimbursement has been adjusted towards the recovery of the excess remuneration drawn by him in earlier years u/s 197 of the Companies Act, 2013, which is supported by an expert opinion.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Adverse Opinion section, we have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matters of Holding Company

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1	**Provisions recognized and contingencies disclosed with regard to certain legal and tax matters** The NCLT has admitted the petition of the Financial Creditors vide its Order dated February 8, 2021 and proceedings under the IBC have been initiated on the Holding Company. Further, the Holding Company is involved in several ongoing litigations including direct and indirect tax litigations. The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management to make judgement and estimates in relation to the issues of each matter. In the absence of any opinion or advise of experts, the management has estimated the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. The Holding Company recognizes a provision when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. We have identified litigations, provisions and contingencies as a key audit matter because it requires the management to make judgements and estimates in relation to the exposure arising out of litigations. The key judgement lies in the estimation of provisions where they may differ from the future obligations.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: We assessed the value of the provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondences with the authorities. We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets. We have also discussed with the management significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the financial statements. We have assessed the appropriateness of assumptions considered by the management and above-mentioned audit procedures conducted by us and elaborated our findings in the "Basis for Adverse Opinion". We have also reviewed whether appropriate disclosures are made in the Standalone Financial Statements.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

ur opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of the Management for the Consolidated Financial Statements

6. The Holding Company's Board of Directors and RP are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, consolidated financial performance including other comprehensive income, cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the group and RP are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern concept and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

   The respective Board of Directors / RP/ IRP/ Liquidator of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of an internal control.

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in those circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.

- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusions are elaborated in the 'Basis for Adverse Opinion' section of our report, and are based on the audit evidence obtained up to the date of our auditor's report.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements / information of the entities within the Group to express an opinion on the Consolidated Financial Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Consolidated Financial Statement of which we are the independent auditors. For the other entities included in the Consolidated Financial Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for

our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

- Materiality is the magnitude of the misstatement in the statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the statement may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the statement.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

10. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so we would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

11. The accompanying Consolidated Financial Statements includes the unaudited financial results/statements and other financial information which has been certified by the management but not audited, in respect of 2 foreign subsidiaries, whose financial statements reflect total assets of Rs. 183.89 crore as at March 31, 2021, total revenues of Rs. 20.08 crore, total net loss after tax (including from discontinued operations) of Rs. 70.18 crore, total comprehensive loss of Rs. 70.18 crore for the year ended on that date respectively, and net cash outflows of Rs. 0.06 crore for the year ended March 31, 2021, as considered in the consolidated financial Statements which have been audited by their respective auditors

    These unaudited financial statements/ financial information/ financial results have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such management certified financial statements/ financial information/financial results.

12. The accompanying Consolidated Financial Statements includes unaudited financial results /statements and other unaudited financial information in respect of 6 foreign subsidiaries whose financial statements have been incorporated based on financial statement / financial information available with the Holding company for the period ended December 31, 2020 and reflects total assets of Rs. 555.36 crore as at March 31, 2021 and total revenue of Rs. 401.85 crore, total net profit after tax of Rs. 19.53 crore and total comprehensive income of Rs. 19.53 crore in the consolidated statement of profit and loss for the year ended March 31, 2021 respectively and net cash outflow of Rs. 1.58 crore for the year ended March 31, 2021. These financial statements / financial information / financial results have neither been audited nor certified by the management of respective company.

13. The accompanying Consolidated Financial Statements includes financial results /statements in respect of 5 domestic subsidiaries and 5 foreign subsidiaries whose financial statements have been incorporated based on financial statements / financial information available with the Holding Company but have neither been certified by the management nor audited and reflects total assets of Rs. 809.04 crore as at March 31, 2021 and total revenue of Rs. 14.99 crore, total net loss after tax of Rs. 106.63 crore and total comprehensive loss of Rs. 106.63 crore for the year ended March 31, 2021 respectively and net cash outflow of Rs. 0.96 crore for the year ended March 31, 2021. These financial statements / financial information / financial results have neither been audited nor certified by the management of respective Company.

14. The consolidated financial Statements include the interim financial information of 5 foreign subsidiaries / step–down subsidiaries, whose financial results / financial information is available for the year ended March 31, 2020 or June 30, 2020. According to the information and explanations given to us by the Management, this interim financial information is not material to the Group.

    Our opinion to be read with para 3, is modified in respect of the above matters stated in para 12 to 15.

Report on Other Legal and Regulatory Requirements

15. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of subsidiaries referred to in the Other Matters section above, we report, to the extent applicable, that:

(a) We have sought and except for the possible effects of the matters described in the Basis for Adverse Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, in our

opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;

(d) Due to the matters described in the Basis for Adverse Opinion paragraph above, in our opinion, the aforesaid Consolidated Financial Statements do not comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matters described in the Basis for Adverse Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

(f) On the basis of the written representations received on email (due to nationwide lockdown), by the Holding Company from the directors as on March 31, 2021 none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act. However, considering the fact, that the Holding Company has defaulted in repayment of Non – Convertible Debentures, in our opinion, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.

Due to non – availability of the information from the subsidiaries, we are unable to comment on the status of the directors of subsidiary companies.

(g) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion paragraph above;

(h) With respect to the adequacy of the internal financial controls of the Holding Company and its Subsidiaries incorporated in India with reference to these Consolidated Financial Statements and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure A" to this report; which expresses an adverse opinion on the adequacy of and operating effectiveness of such controls with reference to financial statements for the reasons stated therein.

(i) In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company has not paid or provided for any managerial remuneration for the year under audit. In respect to excess managerial remuneration paid or provided during preceding years, we draw reference to our comments in para 4(b) under the "Emphasis of Matter" section.

(j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The management has disclosed the impact of pending litigations on the financial position in its Consolidated Financial Statements, refer Note 3.06 to the Consolidated Financial Statements;

ii. The Group did not have any material long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies incorporated in India.

For Singhi & Co.
Chartered Accountants
ICAI Firm Registration Number: 302049E

S. Chandrasekhar
Partner
Membership Number: 007592

Place of Signature: Mumbai
Date: June 23, 2021
UDIN No: 21007592AAAAAO1851

Annexure - A to the Independent Auditor's Report

(Referred in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to the Consolidated Financial Statements of the Mercator Limited (hereinafter referred as "Holding Company") and its Subsidiary Companies incorporated in India (together referred to as 'Group'), as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies, incorporated in India, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to the financial statements is applicable, are responsible for establishing and maintaining internal financial controls based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Financial Statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statement and their operating effectiveness. Our audit of internal financial controls included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

Meaning Of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to Consolidated Financials Statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financials Statement includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or

fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ADVERSE OPINION

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Holding Company's internal financial control with reference to Consolidated Financials Statement as at March 31, 2021:

a) The Holding Company did not have adequate internal financial controls to test and assess the fundamental going concern assumption, basis which it's Standalone Financial Statements have been prepared. This control deficiency has a pervasive impact on the control framework of the Consolidated Financial Statements.

b) The Holding Company did not have appropriate internal control systems –

- for maintaining documentation, review and impairment related to the advances given and outstanding,
- for obtaining confirmations and reconciliation of balances of trade receivables, trade and other payables and loans and advances,
- for maintaining documentary evidence with respect to the provision / adjustments created during the year on the investments, loans, advances and receivable balances accounted by the Holding Company.

which could potentially result in the Group carrying advances/ assets at either higher or lower amounts than what may be appropriate.

c) The Holding Company did not provide any evidence of conducting an operating effectiveness test of its controls. This control deficiency has a pervasive impact on the financial controls of the entity.

d) We are unable to comment on the effectiveness of the internal controls of the subsidiary companies, as we haven't received auditor's report of such subsidiaries incorporate in India.

A material weakness is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Consolidated Financial Statements will not be prevented or detected on a timely basis.

In our opinion, because of the effects of the material weaknesses described above, the Group has not maintained, adequate and effective internal financial controls with reference to Consolidated Financials Statement as of March 31, 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

We have considered the material weaknesses identified and reported above in determining the nature timing and extent of audit tests applied in our audit of March 31, 2021 Consolidated Financial Statements of the Holding Company, and these material weaknesses do not affect our opinion on the Consolidated Financial Statements of the Holding Company.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to five Indian subsidiaries which are companies incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

Our opinion is not qualified in respect of this matter.

For Singhi & Co.
Chartered Accountants
ICAI Firm Registration Number: 302049E

S. Chandrasekhar
Partner
Membership Number: 007592

Place of Signature: Mumbai
Date: June 23, 2021
UDIN No: 21007592AAAAAO1851

Consolidated Balance Sheet

as at March 31, 2021

₹ in crore

	Particulars	Note	As at March 31, 2021	As at March 31, 2020
A	**ASSETS**			
1	**Non- Current Assets**			
	(a) Property, Plant and Equipment	2.1	283.64	331.67
	(b) Capital Work-in-Progress		2.75	3.18
	(c) Investment Properties	2.2	-	-
	(d) Other Intangible Assets	2.1	0.03	0.04
	(e) Deferred Tax Asset		1.46	1.49
	(f) Financial assets			
	(i) Investments	2.3 (a)	-	-
	(ii) Loans	2.4	3.65	3.37
	(ii) Other Financial Assets	2.5	204.64	204.64
	(g) Other Non Current Assets	2.6	15.15	37.73
	(h) Income Tax Assets (net)		55.64	80.38
	Total Non-Current Assets		**566.96**	**662.50**
2	**Current Assets**			
	(a) Inventories	2.7	8.92	9.48
	(b) Financial Assets			
	(i) Investment	2.3 (a)	61.04	86.03
	(ii) Trade Receivables	2.8	136.71	100.55
	(iii) Cash and Cash Equivalents	2.9(i)	26.81	31.49
	(iv) Bank Balances other than (iii) above	2.9(ii)	5.22	0.68
	(v) Loans	2.10	24.57	16.06
	(vi) Other Financial Assets	2.11	64.17	59.35
	(c) Other Current Assets	2.12	72.35	38.72
	(d) Non Current Assets classified as Held for Sale	2.1 (ii),(v) & 3.12	252.00	288.69
	Total Current Assets		**651.79**	**631.05**
	TOTAL ASSETS		**1,218.75**	**1,293.55**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share Capital	2.13	30.25	30.25
	(b) Other Equity	2.14	(1,399.30)	(1,088.45)
	Equity attributable to Owners		**(1,369.05)**	**(1,058.20)**
	Non Controlling Interest		116.63	104.14
			(1,252.42)	**(954.06)**
2	**Non - Current Liabilities**			
	(a) Financial Liabilities			
	(i) Other Financial Liabilities	2.16	16.93	35.04
	(b) Provisions	2.17	5.43	4.41
	Total non-current liabilities		**22.36**	**39.45**
3	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	2.18	674.74	669.54
	(ii) Trade Payables	2.19		
	- total outstanding dues of micro enterprises and small enterprises		0.35	0.35
	- total outstanding dues of creditors other than micro enterprises and small enterprises		148.13	185.63
	(iii) Other Financial Liabilities	2.15 and 2.20	1,532.23	1,279.81
	(b) Other Current Liabilities	2.21	93.16	72.64
	(c) Provisions	2.22	0.20	0.19
	Total Current Liabilities		**2,448.81**	**2,208.16**
	Total Liabilities		**2,471.17**	**2,247.61**
	TOTAL EQUITY AND LIABILITIES		**1,218.75**	**1,293.55**
Basis of Preparation and Significant Accounting Policies		1		
The accompanying notes are an integral part of the consolidated financial statements		2 to 3.45		

As per our report of even date
For Singhi & Co.
Chartered Accountants
Firm registration No: 302049E

S. Chandrasekhar
Partner
Membership No : 007592
Place: Mumbai
Date: June 23, 2021

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Rajendra Kothari
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: June 23, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

₹ in crore

	Particulars	Note	Year Ended March 31, 2021	Year Ended March 31, 2020
	INCOME			
	(a) Revenue from Operations	2.23	373.78	638.61
	(b) Other Income	2.24	38.81	15.38
1	**Total Income**		**412.59**	**653.99**
	EXPENSES:			
	(a) Operating Expenses	2.25	289.73	468.05
	(b) Employee Benefit Expenses	2.26	22.89	33.72
	(c) Finance Costs	2.27	290.79	260.75
	(d) Depreciation and Amortisation expenses	2.1	39.45	141.42
	(e) Impairment of Assets	2.28	26.63	41.04
	(f) Loss on Sale / Discard of Assets	2.29	2.26	233.87
	(g) Other Expenses	2.30	44.93	219.43
2	**Total Expenses**		**716.68**	**1,398.28**
3	**Profit/(loss) before exceptional items and tax (1 - 2)**		(304.09)	(744.29)
4	Less: Exceptional items	3.30	-	(154.19)
5	**Profit/(loss) before tax from Continuing Operations (3-4)**		**(304.09)**	**(898.48)**
6	**Tax expense:**			
	(a) Current tax	2.31	(6.23)	(11.18)
	(b) Deferred Tax	2.31	-	0.13
	(C) Excess/(Short) provision of earlier years	2.31	(9.35)	-
7	**Profit /(Loss) for the period from Continuing Operations (5 - 6)**		**(319.67)**	**(909.53)**
8	**Discontinued Operation**			
	Profit/(loss) before tax from discontinued Operation (Refer Note 3.36)		-	(2.93)
	Tax (expenses) / benefit of discontinued operation		-	-
9	**Profit/(loss) after tax from Discontinued Operation**		**-**	**(2.93)**
10	**Profit/(loss) after tax (7 + 9)**		**(319.67)**	**(912.46)**
11	**Other comprehensive income for the year (net of tax)**			
	Items that will not be reclassified to Profit or Loss,			
	(a) Remeasurements of net defined benefit plans		-	0.81
	(b) Other comprehensive income/(loss) arising from discontinued operations		-	-
12	**Total Comprehensive Income for the year (10 + 11)**		**(319.67)**	**(911.65)**
13	**Profit /(Loss) attributable to :**			
	Owners		(332.17)	(926.09)
	Non-Controlling Interest		12.50	13.63
			(319.67)	**(912.46)**
14	**Other Comprehensive Income attributable to:**			
	Owners		-	0.81
	Non-Controlling Interest		-	-
			-	0.81
15	**Total Comprehensive Income / (Loss) attributable to the Owners of the Company**			
	Owners		(332.17)	(925.28)
	Non-Controlling Interest		12.50	13.63
			(319.67)	**(911.65)**
16	**Total Comprehensive Income / (Loss) attributable to the Owners of the Company**			
	Continuing Operation		(319.67)	(908.72)
	Discontinued Operation		-	(2.93)
			(319.67)	**(911.65)**
17	**Earnings per share (Equity share of Re. 1/- Each) for profit / (loss) from continuing operation attributable to Owners of the Company**			
	Basic (In Rupees)	3.01	(10.98)	(30.52)
	Diluted (In Rupees)		(10.98)	(30.52)
18	**Earnings per share (Equity share of Re. 1/- Each) for profit / (loss) from discontinued operation attributable to Owners of the Company**			
	Basic (In Rupees)	3.01	-	(0.10)
	Diluted (In Rupees)		-	(0.10)
19	**Earnings per share (Equity share of Re. 1/- Each) for profit / (loss) from continuing and discontinued operations attributable to Owners of the Company**			
	Basic (In Rupees)	3.01	(10.98)	(30.62)
	Diluted (In Rupees)		(10.98)	(30.62)
	Basis of Preparation and Significant Accounting Policies	1		
	The accompanying notes are an integral part of the consolidated financial statements	2 to 3.45		

As per our report of even date
For Singhi & Co.
Chartered Accountants
Firm registration No: 302049E

S. Chandrasekhar
Partner
Membership No : 007592
Place: Mumbai
Date: June 23, 2021

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Rajendra Kothari
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: June 23, 2021

Consolidated Statement of Cash Flow

for the year ended March 31, 2021

₹ in crore

	Particulars	Note	Year Ended March 31, 2021	Year Ended March 31, 2020
A	**Cash Flow from Operating Activities**			
	Net Profit / (Loss) Before Tax - continuing business		(304.09)	(898.48)
	Net Profit / (Loss) Before Tax - discontinued business		-	(2.93)
	Adjustment for:			
	Depreciation and Amortisation		39.45	141.42
	Impairment of Assets - continuing operation		26.63	41.04
	Provision for doubtful debts/advances		-	3.48
	Finance Costs		290.79	260.75
	(Profit)/Loss on fixed assets sold / discarded (net)		2.26	233.87
	Other income on account of accrual written back		(10.15)	(4.76)
	Recycled through other equity		21.33	(92.85)
	Interest income		(0.29)	(1.82)
	Exceptional Item in previous year		-	154.19
	Bad Debts and other amounts written off/(back)		(5.00)	37.59
	Unrealised (gain) / loss on Fair Value of Investment		(0.09)	105.47
	Unrealised foreign exchange (gain) / loss (Net)		(20.90)	3.16
	Operating profit before working capital changes		**39.95**	**(19.87)**
	Adjustment for:			
	Decrease/(Increase) in Financial Assets and Current Assets		22.51	32.37
	Decrease/(Increase) in Inventories		0.56	5.72
	Decrease/(Increase) in Trade Receivables		(36.16)	(33.04)
	Decrease/(Increase) in Current Financial Assets - Loans		(12.19)	7.32
	Decrease/(Increase) in Current Other Financial Assets		-	10.31
	Decrease/(Increase) in Other current assets		(0.06)	27.13
	(Decrease)/Increase in Financial Liabilities and Current Liabilities		40.56	(8.02)
	(Decrease)/Increase in Provisions		1.02	(1.53)
	(Decrease)/Increase in Trade Payables		(29.45)	(32.27)
	Net Cash from Operating Activities		**26.74**	**(11.88)**
	Direct taxes paid (Net of refund)		8.08	(23.22)
	Net Cash from Operating Activities		**34.82**	**(35.10)**
B	**Cash Flow from Investing Activities**			
	Purchase of fixed assets including capital work in progress		-	(45.88)
	(Increase) / Decrease in Capital advances/Capital creditors		(1.96)	7.32
	Proceeds from Sale of Fixed Assets		6.93	262.13
	(Purchase) / Sale of Investments		0.27	-
	Bank deposits (Placed) / redeemed with banks (Net)		(4.54)	44.16
	Interest Income		0.28	2.74
	Net Cash from Investing Activities		**0.98**	**270.47**
C	**Cash Flow from Financing Activities**			
	Proceeds from Borrowings		7.71	250.96
	Repayment of Borrowings		(4.43)	(335.85)
	Changes in the Non-Controlling Interest		-	(0.01)
	Interest paid		(43.76)	(132.27)
	Net Cash from Financing Activities		**(40.48)**	**(217.17)**
	Net Increase / (decrease) in cash and cash equivalents (A + B + C)		**(4.68)**	**18.20**
	Cash and Cash Equivalents as at beginning of the year		31.49	13.29
	Add: Unrealised Foreign Exchange Fluctuation on cash and cash equivalents		-	-
	Cash and Cash Equivalents as at end of the year		**26.81**	**31.49**
	Cash and Cash Equivalents comprise of:			
	Cash and Bank Balances (Refer Note 2.9(i))		26.81	31.49

Consolidated Statement of Cash Flow (Contd..)

for the year ended March 31, 2021

Notes:

1) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 , 'Statement of Cash Flows'
2) 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.
3) Cash and cash equivalents include Unclaimed Dividend accounts of INR Nil (Previous Year INR Nil) which are not available for use by the Group.
4) The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.
5) Reconciliation of changes in liabilities arising from financing activities including both changes arising from cash flows and non cash changes as per the requirement of Ind AS 7 :

₹ in crore

PARTICULARS	As at April 1, 2020	Cash Flows (Net)	Non - Cash Changes			As at March 31, 2021
			Foreign Exchange Movement	Other non cash movements/ Reclassification	Amortized Cost (including premium on redemption of NCD)	
Non Convertible Debenture (NCD)	139.72	-	-	-	7.85	147.57
Foreign currency term loan from Bank	636.70	8.02	(7.51)	4.25	-	641.46
External Commercial Borrowing	46.70	(0.00)	(1.54)	(0.02)	-	45.14
Foreign Currency Convertible Bonds (FCCB)	120.62	(0.01)	(3.98)	(0.05)	-	116.58
Rupee Term loan from Financial Institution	27.17	(1.00)	-	(7.21)	-	18.96
Rupee Term loan from others	15.42	0.00	-	3.44	-	18.86
Working Capital Loan	408.42	2.02	-	7.92	-	418.36
Rupee Short Term loan form Banks	220.04	-	-	-	-	220.04
Total	**1,614.79**	**9.03**	**(13.03)**	**8.33**	**7.85**	**1,626.98**

PARTICULARS	As at April 1, 2019	Cash Flows (Net)	Non - Cash Changes			As at March 31, 2020
			Foreign Exchange Movement	Other non cash movements/ Reclassification	Amortized Cost (including premium on redemption of NCD)	
Non Convertible Debenture (NCD)	135.54	(3.55)	-	(5.54)	13.27	139.72
Rupee Term loan from Bank	10.07	(10.07)	-	-	-	-
Foreign currency term loan from Bank	627.50	(18.46)	31.83	(4.17)	-	636.70
External Commercial Borrowing	120.26	(77.82)	3.85	0.41	-	46.70
Foreign Currency Convertible Bonds (FCCB)	108.75	-	9.94	1.93	-	120.62
Rupee Term loan from Financial Institution	35.28	-	-	(8.11)	-	27.17
Rupee Term loan from others	7.71	-	-	7.71	-	15.42
Working capital Loan	368.58	(7.68)	19.34	28.18	-	408.42
Rupee Short Term loan form Banks	266.34	(32.29)	-	(14.00)	-	220.04
Total	**1,680.02**	**(149.87)**	**64.96**	**6.41**	**13.27**	**1,614.79**

6) Previous Year's figures have been regrouped wherever necessary to conform to the current year's classification.

Basis of Preparation and Significant Accounting Policies 1

The accompanying notes are integral part of the consolidated financial statements 2 to 3.45

As per our report of even date
For Singhi & Co.
Chartered Accountants
Firm registration No: 302049E

S. Chandrasekhar
Partner
Membership No : 007592
Place: Mumbai
Date: June 23, 2021

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Rajendra Kothari
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: June 23, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

EQUITY SHARE CAPITAL

(a) Equity Shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Share	INR in Crore	No of Share	INR in Crore
Balance at the beginning of Reporting Period	30,24,59,335	30.25	30,24,59,335	30.25
Add: Changes in Equity Share Capital during the year	-	-	-	-
Balance at the end of Reporting Period	**30,24,59,335**	**30.25**	**30,24,59,335**	**30.25**

(b) Other Equity

₹ in crore

	Deemed Equity	Reserves and Surplus									Total equity	Non Controlling Interest	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	General Reserve	Tonnage Tax Reserve	Exchange differences on translating thefinancial statements of foreign operations	Other Comprehensive Income			
Balance at March 31, 2019	**0.36**	**42.89**	**40.00**	**590.75**	**25.00**	**(975.78)**	**167.63**	**-**	**21.61**	**0.69**	**(86.85)**	**90.50**	**3.65**
Profit/ (Loss) for the year	-	-	-	-	-	(926.09)	-	-	-	0.81	(925.28)	13.63	(911.65)
Adjustment for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income recycled through Statement of Profit and Loss	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) during the year	-	-	-	-	-	(38.23)	-	-	(38.09)	-	(76.32)	0.01	(76.31)
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-		-
Balance at March 31, 2020	**0.36**	**42.89**	**40.00**	**590.75**	**25.00**	**(1,940.10)**	**167.63**	**-**	**(16.48)**	**1.50**	**(1,088.45)**	**104.14**	**(984.31)**
Profit/ (Loss) for the year	-	-	-	-	-	(332.17)	-	-	-	-	(332.17)	12.50	(319.67)
Adjustment for the year	-	-	-	-	-	-	-	-	-	-	-		-
Other Comprehensive Income recycled through Statement of Profit and Loss Increase / (decrease) during the year	-	-	-	-	-	-	-	-	21.32		- 21.32	(0.01)	- 21.31
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2021	**0.36**	**42.89**	**40.00**	**590.75**	**25.00**	**(2,272.27)**	**167.63**	**-**	**4.84**	**1.50**	**(1,399.30)**	**116.63**	**(1,282.67)**

As per our report of even date
For Singhi & Co.
Chartered Accountants
Firm registration No: 302049E

S. Chandrasekhar
Partner
Membership No : 007592
Place: Mumbai
Date: June 23, 2021

For and on behalf of the Board

H. K. Mittal
Whole-time Director
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Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: June 23, 2021

Notes to the Consolidated financial statements

for the year ended March 31, 2021

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED IND ASFINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2021

CORPORATE INFORMATION

Mercator Limited (the "Company") is a public limited Company registered in India under the provisions of the Companies Act, 2013. Its shares are listed on the Bombay Stock Exchange and the National Stock Exchange of India. In addition to that, Foreign Currency Convertible Bonds (FCCB) of the Company are listed on debt segment of Singapore Stock Exchange (SGX). The Company and its subsidiaries constitute the Group. The Group has diversified business verticals viz. Shipping (tankers, gas carriers and dry bulkers), Dredging, Oil and Gas, Coal (Mining, Procurement and Logistics).

A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Pursuant to the order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who had been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC).

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for Preparation:

The consolidated financial statements of Mercator Limited ("the Group") have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'IND-AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting generally accepted in India.

Items included in the IND AS financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's IND AS financial statements are presented in Indian Rupee (INR), which is also the Group's functional and presentation currency. All amounts in these IND AS financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in Crore.

The financial statements of the subsidiary companies used in the preparation of the Consolidated IND AS Financial Statements have been drawn up to the same reporting date as that of Mercator Limited, i.e., March 31, 2021 except for subsidiary companies as stated in note 3.15 of the consolidated financial statements for which consolidated financial statements have been prepared based on latest details available with the Parent company management.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

Authorization of Financial Statements:

The consolidated financial statements of Mercator Limited (hereinafter referred as "the Group/the Company") for the year ended March 31, 2021 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors chaired by the Resolution Professional (RP) held on June 23, 2021. The said consolidated financial statements of the Company have been prepared by the management of the Company and certified by the Director and Chief Financial Officer of the Company. The RP has relied upon the assistance provided by the members of the Audit Committee in review of the consolidated financial statements and certifications, representations and statements made by Director of the Company in relation to these financial statements.

As authorized, Director and Chief Financial Officer of the Company have signed the consolidated financial statements and the RP has taken on record the said statement of financial statements only to the limited extent of 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.

The functional currency of the Company and its Indian Subsidiaries is Indian Rupees ("INR") whereas the functional currency of foreign subsidiaries is USD ($), Mozambican Meticals. The Group's Consolidated IND AS financial statements are presented in Indian Rupee (INR), which is also the Holding Company's functional and presentation currency. All amounts in these financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in Crore.

1.2 Historical cost convention:

The IND AS financial statements has been prepared on a historical cost basis, except for the following:

1. Certain financial assets and liabilities including

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for the year ended March 31, 2021

derivative instruments are measured at fair value.

2. Assets held for sale- measured at fair value less costs to sell

3. Defined benefit plans- plan assets measured at Fair value.

1.3 Use of estimates:

The preparation of the IND AS financial statements in conformity with the recognition and measurement principles of the IND AS that requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at date of financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the IND AS financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialized. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Critical estimates and judgements

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements

The major areas involving critical estimates or judgement are:

- Estimation of Defined benefit obligation – refer note 3.02
- Estimation of current tax expenses and Payable – refer note 3.33
- Scrap Value and Useful lives of property, plant and equipment – refer note 1.7
- Impairment of property, plant and equipment – refer note 1.7
- Impairment of Investments, Loans and Advances and Current Assets.
- Provisions for litigations, insurance claim receivables and claim of underperformance by client.

Estimation of uncertainties relating to the global health pandemic from Covid-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.4 Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

All the assets and liabilities have been classified as current/non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.5 Principles of consolidation:

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Financial Statements of the subsidiaries are included in the Consolidated IND AS Financial Statements from the date on which Control commences until the date on which the Control ceases.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

The following Subsidiary Companies are considered in the Consolidated IND AS Financial Statements

Sr. no	Name of the Subsidiary Company	Country of Incorpor-ation	% of holding either directly or through subsidiary as at March 31, 2021	% of holding either directly or through subsidiary as at March 31, 2020
1	Mercator Oil and Gas Limited	India	100.00%	100.00%
2	Mercator Petroleum Limited	India	94.13%	94.13%
3	Oorja Resources India Private Limited	India	100.00%	100.00%
4	Mercator Offshore Logistic Private Limited (formerly Mercator Dredging Private Limited).	India	100.00%	100.00%
5	Mercator Ocean transport Limited	India	100.00%	100.00%
6	Mercator International Pte. Ltd	Singapore	100.00%	100.00%
7	Offshore Holding Company Pte Ltd (formerly Mercator Offshore Holding Pte Ltd)	Singapore	100.00%	100.00%
8	Brio Resources Pte Ltd @	Singapore	----	100.00%
9	Oorja Holdings Pte. Ltd	Singapore	100.00%	100.00%
10	Mercator Energy Pte Ltd @@	Singapore	75.00%	75.00%
11	Mercator Offshore Assets Holding Pte Ltd @@	Singapore	75.00%	75.00%
12	Mercator Offshore (P) Pte Ltd @@	Singapore	76.25%	76.25%
13	Panther Resources Pte Ltd	Singapore	100.00%	100.00%
14	Oorja (Batua) Pte. Ltd	Singapore	100.00%	100.00%
15	Oorja 1 Pte. Ltd	Singapore	100.00%	100.00%
16	Oorja 2 Pte. Ltd #	Singapore	100.00%	100.00%
17	Oorja 3 Pte. Ltd @	Singapore	----	100.00%
18	Oorja Mozambique Minas Limitada	Mozambiq ue	100.00%	100.00%
19	MCS Holdings Pte. Ltd	Singapore	100.00%	100.00%
20	PT Karya Putra Borneo *	Indonesia	45.00%	45.00%
21	PT Indo Perkasa *	Indonesia	22.95%	22.95%
22	PT Oorja Indo Petangis Four	Indonesia	100.00%	100.00%
23	PT Oorja Indo Petangis Three	Indonesia	100.00%	100.00%
24	PT Bima Gema Permata	Indonesia	100.00%	100.00%
25	PT Oorja Indo KGS	Indonesia	100.00%	100.00%
26	Broadtec Mozambique Minas Limiteda	Mozambiq ue	85.00%	85.00%
27	Marvel Value International Limited $	British Virgin Islands	100.00%	100.00%

* Consolidated based on criteria of control over management and operations.

@ The Companies are under voluntary liquidation / strike off and we have received confirmation for strike off from Accounting and Corporate Regulatory Authority Singapore dated April 6, 2019.

during the previous year, the company has applied to strike off / voluntary wind with Accounting and Corporate Authority Singapore. Final confirmation is yet to receive.

@@ During the year, the companies have filed voluntary liquidation with Accounting and Corporate Regulatory Authority Singapore and appointed liquidator for the same.

$ During the year, the company has filed voluntary liquidation with corporate registrar of British Virgin Island under BVI Business Companies Act 2004, which has been approved.

Refer note 3.15 for detailed audit and accounting status of the Subsidiary Companies

1. The companies have filed voluntary liquidation with Accounting and Corporate Regulatory Authority Singapore and appointed liquidator for the same.

The Consolidated IND AS financial statements have been prepared on the following basis:

1. The Financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together book values of similar items of assets, liabilities, income, expenses, equity and cash flows of the parent with those of its subsidiaries. The intra-company balances and transactions including unrealized gain/loss from such transactions are eliminated upon Consolidation.

2. Consolidated IND AS financial statements are prepared by applying uniform accounting policies to the extent possible, in use at the group.

3. Non-Controlling Interests (NCI) represents part of the net profit or loss and net assets of the subsidiaries that are not, directly or indirectly owned or controlled by the company are excluded.

1.6 Foreign Currencies:

(ii) Functional and presentation currency

The functional currency of the Company and its Indian Subsidiaries is Indian Rupees ("INR") whereas the functional currency of foreign subsidiaries is USD ($),

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Mozambican Meticals. The Group's Consolidated IND AS financial statements are presented in Indian Rupee (INR), which is also the Holding Company's functional and presentation currency. All amounts in these financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in Crore.

(iii) Transaction and balances

Transactions in foreign currency are recorded at functional currency using the exchange rate at the date of accounting of the transaction. Non monetary items, which are measured in terms of historical costs denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the year-end are translated at closing rates. The difference in translation of long term monetary assets acquired and liabilities incurred prior to April 1, 2016 and realized gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset; and in other cases, accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term asset / liability, by recognition as income or expense. The difference in translation of all other monetary assets and liabilities and realized gains and losses on other foreign currency transactions are recognized in the Statement of Profit and Loss. They are deferred in Other Equity, if they relate to qualifying cash flow hedges. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income or profit or loss are also recognized in Other Comprehensive Income or profit or loss, respectively). Exchange differences relating to Long term foreign currency monetary items incurred prior to April 1, 2016 are accounted in terms of para D13AA of Ind- AS 101 as under:

(i) In so far as they relate to the acquisition of a depreciable capital asset, such differences are added to/deducted from the cost of such capital asset and depreciated over the balance useful life of the asset

(ii) In other cases, such differences are accumulated in "Foreign currency Monetary Items Translation differences account" and amortized in the statement of Profit and loss over the balance useful life of the long-term foreign currency monetary item.

(iv) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognized as Foreign Currency Translation Reserve (FCTR).

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

1.7 Property, Plant, and Equipment and Depreciation:

Free hold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

The cost of Property, Plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure including brokerage and start-up costs on making the asset ready for its intended use, other incidental expenses and interest on

Notes to the Consolidated financial statements

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borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, company depreciates them separately based on their specific useful lives.

When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Capital work-in-progress

Cost of assets not ready for intended use as on the balance sheet date, is shown as Capital work-in-progress.

Capital work-in-progress and Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Drydocks are considered as component of fleet with estimated useful lives different than the main component of fleet. Cost relating to drydock which is mandatorily required to be carried out as per the Classification Rules and Regulations is recognized in the carrying amount of ship and is amortized over 2.5 years

The Company reviews the carrying value of property, plant and equipment annually or more frequently when there is indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

On transition to IND AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and equipment.

Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on the Written Down value (WDV) method, except in case of Vessels, where depreciation is provided on Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except, the following cases where useful life is considered as under based on technical evaluation:

A) Vessels

i) Tankers, Dry Bulk carriers, Cutters, Dredgers (except for two dredgers considered as 42 years 60 years, 25 years and 30 years)

ii) Gas Carriers

B) Coal Crusher is depreciated on Unit of Production Basis considering estimated production of 30,000,000 MT

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Residual value in case of vessels is estimated based on the closing rate for steel / metal rate published on London Metal Exchange (LME).

Assets costing less than Rs. 25,000/- are fully depreciated in the year of capitalization.

1.8 Intangible Assets and Amortization:

Intangible assets are stated at acquisition cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over the estimated useful lives.

Computer Software

Software meeting the recognition criteria are recognized as Intangible assets and amortized from the period the asset is available for use.

Costs associated with maintaining the software are recognized as expense as and when they are incurred.

1.9 Non-current assets (or disposal groups) held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Company) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal Company) and its sale is highly probable.

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Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, Plant and Equipment classified as held for sale are not depreciated.

1.10 Impairment of non-financial assets:

Non-financial assets other than inventories and non-current assets held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is higher of asset's or Cash-Generating Units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss, if any, is recognized in the statement of profit and loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

1.11 Investment Property:

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

Investment Property is property (land or a building- or a part of a building) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over 30 years from the date of original purchase.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

1.12 Assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

Property, plant and equipment classified as held for sale are not depreciated.

1.13 Exploration and evaluation expenditure:

Exploration Asset - Exploration activity involves the search for mineral resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource. Exploration expenditure are capitalised in respect of each area of interest for which the rights to tenure are current and where:

- The exploration expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- Exploration activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration asset is reviewed at each reporting date as to whether an indication of impairment exists. If any such indication exists, the recoverable amount of the exploration asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the

Notes to the Consolidated financial statements

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increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous years.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable and where a decision is made to proceed with development, the exploration asset attributable to that area of interest are first tested for impairment and then reclassified to mining property within property, plant and equipment.

1.14 Inventories:

Bunker and Lubes on vessels are valued at lower of cost and net realizable value ascertained on first in first out basis. The cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Inventory of coal is valued at the lower of cost and net realizable value. Cost is determined based on the weighted average cost incurred during the period and includes an appropriate portion of fixed and variable overheads. Net realizable value is the estimated sales amount in the ordinary course of business less the costs of completion and selling expense.

1.15 Oil and Gas Assets:

The Company follows IND AS 106 "Exploration for and Evaluation of Mineral Resources" and Guidance Note on Accounting for Oil and Gas Producing Activities (2016) both issued by the Institute of Chartered Accountants of India (ICAI).

Acquisition costs such as costs incurred to purchase, lease or otherwise acquire a property or mineral right proved or unproved are capitalised. Any pre-acquisition costs are expensed as and when incurred.

All costs which are directly attributable to the exploration and evaluation activities of Oil and Gas are capitalised. General and Administration costs including finance costs are included in the Exploration and Evaluation costs only to the extent that those costs can be directly attributable to the related exploration and evaluation assets. In all other cases, these costs are expensed as incurred.

The Company classifies the acquisition costs, exploration and evaluation assets as tangible assets or intangible assets according to nature of assets acquired.

Once the technical feasibility of extracting Oil and Gas is determinable, exploration and evaluation assets are classified as Development Properties. Exploration and Evaluation assets is assessed for impairment and impairment loss if any, is recognized, before such reclassification. Subsequent development costs are capitalised as and when incurred.

When a well is ready to commence commercial production, the capitalised costs referred above (including costs allocated to dry well) are reclassified as "completed wells or producing wells" from intangible assets under development to gross block of intangible assets.

When all wells identified in the block do not result in discovery of proved oil and gas resources, the capitalized costs as referred to above are charged as an expense.

Expenditure incurred on exploratory blocks which are written off in past and start producing subsequently are not reinstated.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation assets may exceed its recoverable amount. Impairment test is performed in accordance with the procedures given below for impairment of non-financial assets. Impairment loss, if any is recognized as an expense.

The company allocates exploration and evaluation assets to cash generating units or a group of cash generating units for the purpose of assessing such assets for impairment.

The company is currently in the Exploratory Stage and accordingly all expenditures incurred for the said activities are transferred to Capital Work in Progress.

1.16 Mining Properties:

When mines are capable of operating in the manner intended by the management, exploration and evaluation assets are transferred to mining properties. Amortization is charged using the units of production method.

Proven and probable reserves are estimates of the amount of output that can be economically and legally exploited from the Company's mining properties. In order to estimate mineral reserves, assumptions are required about a range of geological, technical and economic factors, including quantities, production techniques, stripping ratio, production costs, transportation costs, commodity demand, commodity prices and exchange rates. Estimating the quantity and/or mineral content of mineral reserves requires the size, shape and depth of mineral bodies or fields to be determined by analysing geological data such as drilling

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samples. This process may require complex and difficult geological judgments to interpret the data. Because the economic assumptions used to estimate reserves change from period to period and because additional geological data is generated during the course of operations, estimates of reserves may change from period to period. Changes in the reported reserves may affect the Company's financial results and financial position in a number of ways, including the following:

a. Assets carrying values may be affected due to changes in the estimated future cash flows.

b. Depreciation, depletion and amortization charged to consolidated profit or loss may change where such charges are determined on the units of production basis, or where the useful economic lives of assets change.

c. Decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.

d. The carrying value of deferred tax assets/liabilities may change due to changes in estimates of the likely recovery of the tax benefits.

The Company's accounting policy for the recognition of mine closure and rehabilitation provisions requires significant estimates and assumptions, such as requirements of the relevant legal and regulatory framework, the magnitude of possible land disturbance and the timing, extent and costs of required closure and rehabilitation activity. These uncertainties may result in future actual expenditure that differs from the amounts currently provided. The provision recognized for each site is periodically reviewed and updated based on the facts and circumstances available at that time.

1.17 Exploration and Evaluation Assets:

Exploration and evaluation activity involves the search for mineral resources, determination of the technical feasibility and assessment of the commercial viability of the mineral resource.

Exploration and evaluation expenditures comprise of costs that are directly attributable to:

- acquisition of rights to explore;
- topographical, geological, geochemical and geophysical studies;
- exploratory drilling;
- trenching and sampling; and
- Activities involved in evaluating the technical feasibility and commercial viability of extracting mineral resources.

Exploration and evaluation assets related to an area of interest is written-off as incurred, unless they are capitalised and carried forward, on an area of interest basis, provided one of the following conditions is met:

(i) The costs are expected to be recovered through successful development andexploitation of the area of interest or, alternatively, by its sale; or

(ii) Exploration activities in interest have not yet reached the stage whichpermits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in or in relation to the areaof interest are continuing.

Capitalised costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the relevant area of interest.

Exploration and evaluation assets are recorded at cost less impairment charges. As the asset is not available for use, it is not depreciated.

Exploration and evaluation assets are assessed for impairment if facts and circumstances indicate that impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to mining properties.

1.18 Cash and Cash equivalents:

For the purpose of presentation in statement of cash flows, cash and cash equivalents includes cash in hand and at bank in current and foreign currency accounts, deposit held at call with financial institution, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Fixed deposit having residual maturity up to twelve months from the reporting period is considered as part of bank balances other than cash and cash equivalent. Fixed deposit with residual maturity more than twelve months from reporting period is classified under other non-current assets. Bank Overdrafts are shown within borrowings in current liabilities in Balance sheet.

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1.19 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit /(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

1.20 Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly. The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received. The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any. The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1.21 Borrowings:

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognized in Profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

The fair value of the liability portion of an optionally convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortized cost basis until extinguished on conversion or redemption of the Bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument, this is recognized and included in shareholders equity, net of income tax effect, and not subsequently re measured.

The borrowings are removed from the Balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any noncash asset transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability of at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

1.22 Borrowing costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to

Notes to the Consolidated financial statements

for the year ended March 31, 2021

the borrowing costs. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use for sale. All other borrowing costs are expensed in the period in which they occur.

1.23 Employee Benefits:

a) Short – term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognized at actual amounts due in the period in which the employee renders the related service.

b) Post – employment benefits

i. Defined Contribution Plans

Payments made to defined contribution plans such as Provident Fund are charged as an expense as they accrue.

ii. Defined Benefit Plans

The cost of providing benefit i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuation carried out as at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the other comprehensive income. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet

c) Other Long – term employee benefits

Other Long – term employee benefit viz. leave encashment is recognized as an expense in the Statement of Profit and Loss as it accrues. The company determines the liability using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. The actuarial gains and losses in respect of such benefit are charged to the other comprehensive income.

1.24 Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market that can be accessed by the company for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.25 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by

Notes to the Consolidated financial statements

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regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortized cost, fair value through Other Comprehensive Income or fair value through profit and loss.

Debt instruments at amortized cost

Debt instruments such as trade and other receivables, security deposits and loans given are measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the PandL. However, currently the company does not have any financial instruments in this category.

Equity investments

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at FVTOCI or FVTPL. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to PandL, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

De- recognition

A financial asset is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on

Notes to the Consolidated financial statements

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equity instruments measured at FVOCI that are recognized and accumulated in OCI are not reclassified to profit or loss on de-recognition

Impairment of financial assets

The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets measured at fair value through other comprehensive income.

In case of other assets (listed as a) above), the company determines if there has been a significant increase in credit risk of the financial asset since initial recognition.

B) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost

Financial liabilities classified and measured at amortized such as loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortized cost using the Effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

C) Financial guarantee obligation

The Group's investments include the effect of notional income from financial guarantee obligations.

D) Derivative financial instruments

Initial recognition and subsequent measurement

The company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks.

Such derivative financial instrument is initially recognized at fair value on the date on which derivative contract is entered into and is subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken through other comprehensive income.

E) Foreign currency convertible bonds (FCCBs)

FCCBs are separated into liability and equity components based on the terms of the contract. On issuance of the FCCBs, the fair value of the liability

Notes to the Consolidated financial statements

for the year ended March 31, 2021

component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognized and included in equity since conversion option meets IND AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the FCCBs based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

1.26 Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

Contingent assets are not recognized but disclosed when the inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

1.27 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.28 Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group recognises revenue when the specific criteria have been met for each of the Company's activities as described below:

a) Freight Income

Income on account of freight is recognized in all cases where loading of the cargo is completed

Notes to the Consolidated financial statements

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before the close of the year. All corresponding direct expenses are also provided.

b) Voyage Charter

Revenue from voyage charters is recognized as income, by reference to the voyage progress on load-to-discharge basis, which has been assessed by management to be an appropriate measure of progress towards complete satisfaction of the performance obligations over time under IND-AS 115. Judgement is involved in estimating days to reach the load port and discharge port destinations impacting the calculation of income to be accrued for incomplete voyage.

c) Cargo Handling

Where loading of the cargo is not completed before the close of the year, revenue is not recognized and the corresponding expenses are also carried forward to the next year.

d) Charter Hire Income

Income from charter hire and demurrage earnings is recognized on accrual basis as per the terms of agreement.

e) Dividend Income

Dividend on investments is recognized when the right to receive the same is established by the balance sheet date.

f) Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate.

g) Insurance Claims

Claims including insurance claims are accounted when there is a reasonable certainty of the realisability of the claim amount.

h) Vessel Demurrage income due as per contractual terms is recognized. A provision on estimated basis is made towards deduction from demurrage based on past experience of settlements.

i) Revenue from Sale of Coal

Revenue from coal mining and trading is recognized on transfer of risk, reward and ownership of the goods, and is recorded net of returns, trade allowance, and government duties.

j) Income from Construction Contracts

In case of a subsidiary, revenue from long-term construction contracts is recognized at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

k) Income from other services is accounted on accrual basis as per the terms of the relevant agreement.

1.29 Tax on Income:

Tax expenses comprise both current and deferred tax

(a) Current tax

Current tax is the amount of tax payable as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Company and tax payable on other taxable income for the year determined in accordance with section 115VG (3) of chapter XII-G of the Income Tax Act, 1961.

In respect of subsidiary companies, provision for taxation is made as per the applicable local laws of the respective countries

(b) Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

(c) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly

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probable that future economic benefit associated with it will flow to the Company.

1.30 Operating Expenses

a) Fleet direct operating expenses are charged to the Statement of Profit and Loss on accrual basis.

b) Bunker consumption cost, which is part of direct operating expenses, is charged to the Statement of Profit and Loss on consumption.

c) Stores and spares delivered on board the ships are charged to the Statement of Profit and Loss.

d) Revenue from jetty operations are recognized as and when the services are rendered. Expenses are recognized when they are incurred.

1.31 Recent accounting pronouncements

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from 1st April, 2021. The amendments in Division II (applicable to the Company) of Schedule III, primarily relate to:

a) Change in existing presentation requirements for certain items in Balance sheet, for example :- lease liabilities, security deposits, current maturities of long-term borrowings, effect of prior period errors on Equity Share capital

b) Additional disclosure requirements in specified formats, for example: ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters, etc.

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.

d) Additional Regulatory Information, for example:- compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel, etc.

e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The amendments are extensive and the Company is evaluating the same.

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2.1 Property, Plant and Equipment

₹ in crore

PARTICULARS	Gross Carrying Amount					Depreciation /Amortisation						Net Carrying Amount	
	As at April 1, 2020	Translation / Adjustment^	Addition	Disposal/ Adjustments	As at March 31, 2021	As at April 1, 2020	Reclassification	Depreciation during the year	Impairment	Disposal/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land	131.91	(4.86)	4.63	-	131.69	25.62	(1.73)	12.62	-	-	36.51	95.18	106.29
Vessels ^	127.15	-	-	(72.56)	54.59	111.34	-	-	-	(63.78)	47.56	7.03	15.81
Furniture and Fittings	7.92	(0.13)	0.02	-	7.81	5.51	(0.12)	0.19	-	-	5.58	2.24	2.41
Vehicles	6.96	(0.17)	0.67	(1.56)	5.89	5.32	(0.13)	0.76	0.00	(1.38)	4.58	1.32	1.64
Office Building	14.23	(0.30)	-	-	13.93	6.92	(0.13)	0.95	-	-	7.74	6.19	7.31
Computer Equipments	0.33	-	-	-	0.33	0.28	-	0.01	-	-	0.29	0.04	0.05
Mines	110.30	-	-	-	110.30	110.30	-	-	-	-	110.30	-	-
Mining Equipment	322.30	(9.00)	2.52	-	315.82	124.14	(4.88)	24.92	-		144.18	171.64	198.16
	721.10	**(14.45)**	**7.84**	**(74.12)**	**640.37**	**389.43**	**(6.99)**	**39.45**	**0.00**	**(65.16)**	**356.73**	**283.64**	**331.67**
Other Intangible Assets													
Computer Software	0.12	-	-	-	0.12	0.08	-	0.01	-	-	0.09	0.03	0.04
Total	**721.22**	**(14.45)**	**7.84**	**(74.12)**	**640.49**	**389.51**	**(6.99)**	**39.46**	**0.00**	**(65.16)**	**356.81**	**283.67**	**331.71**

PARTICULARS	Gross Carrying Amount					Depreciation /Amortisation						Net Carrying Amount	
	As at April 1, 2019	Translation / Adjustment^	Addition	Disposal/ Adjustments	As at March 31, 2021	As at April 1, 2019	Reclassification	Depreciation during the year	Impairment	Disposal/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land	123.31	8.58	0.02	-	131.91	20.03	2.02	3.57	-	-	25.62	106.29	103.29
Vessels	912.65	-	5.47	(790.97)	127.15	461.39	-	40.84	41.04	(431.93)	111.34	15.81	451.26
Furniture and Fittings	6.44	0.71	1.66	(0.89)	7.92	5.30	0.50	0.54	-	(0.83)	5.51	2.41	1.14
Vehicles	6.00	0.57	0.92	(0.53)	6.96	3.81	0.40	1.41	-	(0.30)	5.32	1.64	2.18
Office Building	11.63	1.17	1.43	-	14.23	5.19	0.57	1.16	-	-	6.92	7.31	6.44
Computer Equipments	0.36	-	-	(0.03)	0.33	0.23	-	0.06	-	(0.01)	0.28	0.05	0.13
Mines	103.46	6.84	-	-	110.30	48.32	6.00	55.98	-	-	110.30	-	55.14
Oil Well	40.36	-	-	(40.36)	-	0.06	-	-	-	(0.06)	-	-	40.30
Mining Equipment	257.14	11.56	36.38	17.22	322.30	76.66	9.72	37.76	-	-	124.14	198.16	180.47
	1,461.35	**29.43**	**45.88**	**(815.56)**	**721.10**	**620.99**	**19.21**	**141.32**	**41.04**	**(433.13)**	**389.43**	**331.67**	**840.36**
Other Intangible Assets													
Computer Software	0.46	-	-	(0.34)	0.12	0.35	-	0.07	-	(0.34)	0.08	0.04	0.11
Total	**1,461.81**	**29.43**	**45.88**	**(815.90)**	**721.22**	**621.34**	**21.21**	**141.39**	**41.04**	**(433.47)**	**389.51**	**331.71**	**840.47**

^ includes exchange difference relating to translation of long term monetory items

Note:

i Vessels having Net book value of INR 7.03 crore (Previous Year INR 15.81 crore) has been charged / mortgaged to the lenders All the vessels have been arrested by the operational creditors under Commercial Admiralty Suit and are not operational.

Sale of Vessels:

ii Prem Mala - During the previous year, the vessel was arrested and sale proceedings were initiated by Hon'ble High Court of Bombay. The said vessel has been sold on May 26, 2020 through court auction initiated by a lender and the same has been handed over by the court appointed Sheriff to the buyers on July 13, 2020. The sale proceeds of INR 36.40 crore as deposited by the buyer in court are yet to be appropriated and hence has been classified under 'Other Current Assets' which stands at INR 29.97 crores as on March 31, 2021 after appropriation of maritime expenses of INR 6.43 crores reimbursed by Sheriff as per his report to the court. On account of short provision for expenses which related to Prem Mala, further expenses towards port charges for INR 0.97 crore were expensed out in financial year 2020 - 21.

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iii Bhagwati Prem - During the previous year, the dredger was beached at New Mangalore Port Trust (NMPT) and notice for auction dated January 30, 2020 was issued by NMPT authorities by exercising the powers vested with NMPT under Section 42 of the Indian Ports Act, 1908 to recover the Port Dues, Fees and other charges. During the year, NMPT informed the Parent Company that the dredger has been auctioned through MSTC Limited, Bangalore on September 30, 2020 vide MSTC Order No. MSTC/BLR/20-21/890 in terms of Section 14 and Section 42 of the Indian Ports Act, 1908 as per the directions given by Ministry of Shipping and that it has received an amount of INR 4.81 crore from the sale of the said dredger and the available amount with Port after all the recoveries towards the expenses suffered in to risk imposed by the sunk dredger 'Tridevi Prem' and dredger 'Bhagwati Prem' is INR 1.67 crore. The Parent Company has accounted for INR 3.14 crore towards Port Charges during the current financial year. The amount receivable from NMPT as at March 31, 2021 has been accounted at INR 4.81 crore and INR 3.14 crore liability towards expenses accrued separately.

iv Vivek Prem - During the previous year, the Parent Company has entered into Bare Boat Charter and Demise (BBCD) agreement for the vessel where the Parent Company could not complete condition for transfer of ownership at the end of the agreement and said dredger was arrested by one of operational creditors which resulted into discontinuation of agreement. The contracting party has called for an arbitration seeking demand of INR 6.50 crore as compensation and had also taken injunction against invocation of bank guarantee of INR 2.50 crore. The dredger was under charge to one of the financial creditor against the financial assistance to the Parent Company, whose petition was admitted by NCLT, Mumbai Bench pursuant to which Corporate Insolvency Resolution Process(CIRP) has commenced with effect from February 8, 2021.The Arbitration proceedings have not been initiated.

During the year, the dredger has been sold under court auction (order dated February 18,2021 of Gujarat High Court) for a price of INR 3.60 crore. However, the appropriation of the proceeds shall follow in due course of time and the sale proceeds of INR 3.60 crore is lying as deposit with the court. Basis the transaction, the vessel has been considered as sold by the Parent Company, as management has no control over it effective from the date of order and the amount receivable from Court has been classified as "Other Current Assets".

v Uma Prem - During the previous year, the vessel was arrested and sold under court proceedings at Hon'ble High Court of Bombay. The Parent Company has received the order of Hon'ble High Court of Bombay dated on September 15, 2020 , stating the appropriation of court deposit of INR 2.70 crore towards payments to be made to the claimants including INR 1.72 crore to one of the financial creditor who had a charge on the vessel.

The Parent Company has carried out the necessary accounting adjustment in this regard and the court deposit of INR 2.70 crores stands fully appropriated as on March 31, 2021.

vi Further, there are only two non operational dredgers (arrested by creditors) with the Parent Company, which were fully impaired in previous year and are carried at realisable scrap value in the books of accounts. On account of this, no depreciation has been charged on Vessels in the year ended March 31, 2021. The current status of the said dredgers are as under –

Name of Dredger	Location	Charged to	Status as at Year end March 31, 2021
Darshani Prem	At Kakinada Seaports Ltd, Kakinanda (Andhra Pradesh)	Charged to ICICI Bank Ltd	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 Parent Company for shifting of the vessel Darshini Prem to anchorage at its cost and risk. The Parent Company has intimated ICICI Bank Ltd, the charge holder, to initiate any action at their end, as may be deemed appropriate.
Yukti Prem	At Cochin Port	Charged to FCCB Holders	The dredger has been under arrest by an Operational Creditor

vii The office premise of the Parent Company was charged to the lender of Mercator Petroleum Limited (MPL), one of the material subsidiary of the Parent Company. 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 MPL.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

As on the reporting date, only symbolic possession has been obtained and the Parent Company continues to operate from the premises, hence the same continue to be categorised as property, plant and equipment of the Parent Company and accordingly the depreciation for the period has been charged to the Statement of Profit and 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.

Impairment testing for fleets

viii The Parent Company has assessed 'recoverable amount' of each fleet by estimating their "Net Realisable Value (NRV)", in terms of Ind-AS 36 "Impairment of Assets". NRV has been determined as Scrap value less estimated cost of arriving NRV / sale in ordinary course of business. Based on the aforementioned assessment, the Parent Company has made a provision for impairment loss of INR Nil (Previous Year INR 41.04 crore) during the year 2020-21 for its fleets.

ix The Group generally assessed 'recoverable amount' of each CGU (Cash Generating Unit) by determining the value in use, which requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such CGU and a suitable discount rate in order to calculate the present value. However the Group is not able to assess such recoverable amounts for the current financial year and consider previous year's basis for impairments evaluations , if any. It is believed that the assumptions used in the estimation of the value in use of CGU reflected in the financial statements are appropriate and reasonable.

x Cost of Mines includes INR Nil crore (previous year INR 55.14 crore) incurred by the subsidiary company having controlling interest in the step down subsidiary owning Mining assets in Indonesia which has been impaired in current financial year

xi During the financial year 2020-21, the Parent Company has sold / discarded substantial part of its vessels and has accounted loss on such sale / discard amounting to INR 2.23 crore (Previous Year INR 233.43 crore). As on March 31, 2021, the Parent Company has two non-operational dredgers, which has been valued at realisable scrap value which was impaired in the financial year 2019-20 amounting to INR 41.04 crore in the books of accounts. During the year one of the vessel was sold under court auction for an amount of INR 3.60 Crore , resulting into reversal of impairment to the tune of INR 1.86 Crore. The details of such transactions are as under -

₹ in crore

Name of Vessel	Type of Vessel	Date of Sale / delivery	Nature	Impairment of vessels / (reversal of impairment)	(Loss)/ Profit on Sale / Discard	Impair-ment of vessels	(Loss)/ Profit on Sale / Discard	Method of sale / discard
				₹ in crore FY 2020-21	₹ in crore FY 2020-21	₹ in crore FY 2019-20	₹ in crore FY 2019-20	
Prem Pride	Tanker	16.01.20	Sold	-	-	-	(102.63)	By Company
Prem Mala	Tanker	26.05.20	Sold	-	-	-	(22.37)	Court Auction sale
Hansa Prem	Tanker	23.03.20	Sold	-	-	-	(20.73)	By Bank
Omkara Prem	Dredger	07.10.19	Scrap	-	-	-	(15.27)	Scrap Sale
Bhagwati Prem	Dredger	30.09.20	---	-	(2.23)	19.57	-	E-auction under Section 42 of Indian Ports Act, 1908
Tridevi Prem	Dredger	02.08.19	Sunk	-	-	-	(22.81)	Sunk at Port
Uma Prem	Dredger	09.01.20	Sold	-	-	-	(12.91)	Court Auction sale
Vakul Prem	Dredger	05.12.19	Scrap	-	-	-	(29.54)	Scrap Sale
Veera Prem	Dredger	31.12.19	Wreck	-	-	-	(7.17)	Wreck
Darshani Prem	Dredger	---	---	-	-	17.51	-	NA
Vivek Prem	Dredger	18.02.21	---	(1.86)		1.71	-	Court Auction sale
Yukti Prem	Dredger	---	---	-	-	2.25	-	NA
Total				**(1.86)**	**(2.23)**	**41.04**	**(233.43)**	

xii During the year, vessel namely "Veera Prem" has been removed as wreck by Protection and Indemnity (P and I) Club, The North of England Protection and Indemnity Association (NEPIA), against which the Parent Company is still in the process of filing appropriate insurance claim.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

2.2 Investment Property

₹ in crore

PARTICULARS	Cost					Depreciation / Impairment						Net Block	
	As at April 1, 2020	Reclassification	Addition	Disposal/ Adjustments	As at March 31, 2021	As at April 1, 2020	Reclassification	Addition	Impairment	Disposal/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Office Premises	-		-	-	-	-				-	-	-	-
Total -		-	-	-	-		-		-	-	-	-	

PARTICULARS	Cost					Depreciation / Impairment						Net Block	
	As at April 1, 2020	Reclassification	Addition	Disposal/ Adjustments	As at March 31, 2021	As at April 1, 2020	Reclassification	Addition	Impairment	Disposal/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Office Premises	1.62	1.62	-	-	-	0.66	0.69	0.03		-	-	-	0.96
Total	**1.62**		-	-	-	**0.66**		**0.03**		-	-	-	**0.96**

	Year Ended	
(a) Income and expenditure of Investment property:	**March 31, 2021**	**March 31, 2020**
Rental income from investment property:	-	0.19
Direct operating expenses (including repairs and maintenance) on properties generating rental income	-	0.01
Income arising from Investment Properties before depreciation	-	0.18
Less: Depreciation	-	0.03
Income from Investment Properties (net)	**-**	**0.15**

(b) During the previous year, the rent agreement had been terminated and the Parent Company had taken repossession of the Investment Property for its own usage from July 2019 and hence the same was reclassified as Property, Plant and Equipment.

(c) The Parent Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements as on March 31, 2021.

2.3 Non - Current Investments

₹ in crore

PARTICULARS	Face Value per Unit	Numbers as at		Value - As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(a) Non Current Investments - At cost					
Investment in Equity Shares					
Marg Swarnabhoomi Port Private Limited	10	1250	1250	-	-
Less: Impairment	10			-	-
				-	**-**
Aggregate amount of Unquoted investments				**-**	**-**
(b) Current Investments - At fair value					
Quoted					
Investment in Mutual Fund					
(Investment in Rights of Mining (FVTPL))				61.04	86.03
				61.04	**86.03**
Aggregate amount of Current investments				**61.04**	**86.03**

(c) Current investment at Fair Value through Profit & Loss (FVTPL) are investment in a closely held mutual fund which has invested in underlying unlisted coal mining companies. The step down Subsidiary Company has obtained valuation of coal mining and logistic company, taking cut off dated December 31, 2020 for the purpose of local reporting requirement, by an Independent Valuer which has been considered for the financial reporting as on March 31, 2021 as well. The Group had recognized impairment in fair value of such financial instrument amounting to INR 24.99 Crore (USD 3.40 Mn). Such reduction was on account of account of sharp fall in coal prices, reduction in absolute realization of coal handling fees for one of major customer, cost of production and change in assumption of terminal value based on extension of mining license. The fair value as on March 31, 2021 can be substantially different in view of the valuation factors.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

₹ in Crore

	As at March 31, 2021	As at March 31, 2020

2.4 Loans (Non-Current)

(Unsecured, Considered Good, unless otherwise stated)

Security and Judicial deposits	1.62	1.40
Other deposits	2.03	1.97
	3.65	**3.37**

2.5 Other Financial Assets (Non-Current)

(Unsecured, Considered Good, unless otherwise stated)

Deposits with government and semi government bodies	0.03	0.03
Contract work in progress (Refer Note No 3.12)	204.61	204.61
	204.64	**204.64**

2.6 Other Non-Current Assets

(Unsecured, Considered Good, unless otherwise stated)		
(a) Capital Advances to Others		
Capital Advances to related parties, considered doubtful [a (i)]	14.32	14.32
Capital Advances to Others,	0.02	0.02
Capital Advances to Others, considered doubtful	28.86	29.49
Less Provision held	(43.18)	(43.81)
(b) Advances Other than Capital Advances		
Deposits with government and semi government bodies	14.86	15.24
(c) Other Advances		
Deferred - Legal Permission Expenses	0.27	0.41
Advances Recoverable	-	22.06
	15.15	**37.73**

[a(i)] Capital Advances to related parties		
Vaitarna Marine Infrastructure Limited	14.32	14.32
Less: Provision held	(14.32)	(14.32)
	-	**-**

2.7 Inventories

(valued at lower of cost and net realisable value)

Coal	3.15	8.65
Bunker and lubes	0.71	0.65
Stores	5.06	0.18
	8.92	**9.48**

Notes to the Consolidated financial statements

for the year ended March 31, 2021

₹ in Crore

	As at March 31, 2021	As at March 31, 2020
2.8 Trade Receivables		
(Unsecured)		
Considered Good	139.58	102.82
Credit Impaired	89.20	93.81
Total Trade Receivables	**228.78**	**196.63**
Less:		
Allowance for bad and doubtful debts	(89.20)	(93.81)
Expected credit loss on Trade Receivables	(2.87)	(2.27)
	136.71	**100.55**

2.9(i) Cash and cash equivalents		
Cash in hand	0.40	0.96
Balances with banks		
Current Accounts (a)	15.32	22.18
Fixed Deposits with bank with maturity less than 3 months	11.09	8.35
	26.81	**31.49**
(a) Balances with banks includes amount in escrow account	0.07	0.10

2.9(ii) Other Bank Balances		
Fixed Deposits with bank with maturity more than 3 months but less than 12 months	5.00	0.07
Restricted Cash and cash equivalents*	0.07	0.49
Balances with banks in unpaid dividend accounts	0.15	0.12
	5.22	**0.68**

* Banks had frozen certain bank account during earlier year in order to protect interest of shareholder and management until dispute being resolved, as detailed in Note 3.09, restricted cash and cash equivalent represents bank accounts of one of the step-down subsidiary at Indonesia.

2.10 Loans (Current)		
(Unsecured, Considered Good, unless otherwise stated)		
Other Loans and Advances	24.44	15.83
Security Deposits	0.13	0.23
	24.57	**16.06**

2.11 Other Financial Assets (Current)		
(Unsecured, Considered Good, unless otherwise stated)		
Accrued interest on fixed deposit with banks	0.01	-
Insurance Claim Receivable	59.35	59.35
Other receivables	4.81	-
	64.17	**59.35**

Notes to the Consolidated financial statements

for the year ended March 31, 2021

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020

2.12 Other Current Assets

Prepaid Expenses	**10.01**	3.41
Advance to Employees	**2.61**	0.32
Advance to Suppliers	**15.26**	18.90
Other Advances*	**41.80**	13.45
GST / Service Tax Receivable	**2.68**	2.64
	72.35	38.72

*Other Advances includes Court deposits of INR 33.57 crore (Previous Year INR Nil) relating to sale of vessels.

2.13 Equity Share Capital

Authorised		
135,00,00,000 (Previous Year - 135,00,00,000) Equity shares of Re 1/- par value each	**135.00**	135.00
100,00,000 (Previous Year - 100,00,000) Preference shares of Rs 100/- par value each	**100.00**	100.00
	235.00	235.00
Issued Capital		
30,24,59,335 share (Previous Year - 30,24,59,335) Equity shares of Re 1/- each	**30.25**	30.25
Subscribed and Fully Paid Up Capital		
30,24,59,335 share (Previous Year - 30,24,59,335) Equity shares of Re 1/- each	**30.25**	30.25

During the previous year, the Company had reclassified authorised share capital of INR 100,00,00,000/- from Preference Share capital to Equity Share capital in order to increase its authorised equity share capital base so that any commitment of conversion of Foreign Currency Convertible Bonds (FCCB) based on exercise of an option vested to Bond holder can be honoured.

(a) Rights, preferences, restrictions attached to Shares

The company has two classes of authorised shares - (i) as equity shares having a face value of INR 1/- and (ii) preference shares having a face value of INR 100/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend whenever proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

₹ in Crore

	2020-2021		2019-2020	
	Number	₹ in crore	Number	₹ in crore
Equity shares outstanding at the beginning of the period	30,24,59,335	30.25	30,24,59,335	30.25
Equity shares allotted in Qualified Institutional Placement	-	-	-	-
Equity shares outstanding at the end of the period	**30,24,59,335**	**30.25**	**30,24,59,335**	**30.25**

(c) The company during the preceding five years :

(i) Has not allotted shares pursuant to contracts without payment received in cash.

(ii) Has not issued shares by way of bonus shares.

(iii) Has not bought back any shares.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

(d) Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

₹ in Crore

	As at March 31, 2021		As at March 31, 2020	
	No of shares held	% of holding	No of shares held	% of holding
H. K. Mittal	1,00,74,900	3.33	2,11,93,700	7.01
Archana Mittal	1,19,44,725	3.95	1,91,35,200	6.33
AHM Investments Private Limited	1,07,25,050	3.55	1,84,06,250	6.09
Anand Rathi Global Finance Ltd	2,55,00,000	8.43	-	0.00

Out of the promoters' holding -

(i) As stated in note 3.22, 2,55,00,000 no. of shares (Previous Year 65,79,175 no of shares) have been invoked by the financial lenders during the year whereby total external loans liabilities amounting to INR 3.95 crore (Previous Year INR 4.84 crore) have been discharged by the Company in its books on the basis of value of shares invoked based on closing traded price.

(ii) 28,50,000 (Previous Year 85,89,050) no of shares are pledged with various lenders/entities wherein there are no financial liabilities outstanding as on March 31, 2021. 57,39,050 No of shares have been released from pledge in the financial year 2020-21.

In addition to above, 90,00,000 No of shares (Previous Year 90,00,000 No of shares) held by AHM Investments Private Limited has been pledged for credit facility amounting to INR 36 crore (Previous Year INR 36 crore) taken by one of its wholly owned subsidiary Mercator Oil and Gas Limited wherein pledge is outstanding as on date of reporting.

(iii) Promoters and Promoter Groups have sold 9,31,725 No. of shares during the period ended March 31, 2021. This has brought down the shareholding of the promoters in the Company to 10.83% as on March 31, 2021.

(e) In respect of year ended March 31, 2021, the Board of Directors of the Company has recommended not to pay any dividend (Previous Year Nil per share) on the fully paid up equity shares.

(f) The Parent Company had rolled over Foreign Currency Convertible Bonds of USD 16 million on its maturity during previous the year with an agreed terms of conversion of liability at exchange rate of USD / INR = 58.5740 and face value of share price of INR 10 each or such conversion price as may be calculated in compliance with applicable SEBI guidelines whichever is higher. The bondholder reserves right to exercise such option at every anniversary commencing from May 27, 2019, for period of 3 years, which if exercised will lead to further dilution of the promoter holding. However, until date of reporting, as per available information the bondholder has not yet exercised its right of conversion.

2.14 Other Equity

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020
A. Summary Of Other Equity (Refer Statement of Changes in Equity for detailed movement)		
Capital Reserve	42.89	42.89
Capital Redemption Reserve	40.00	40.00
Securities Premium Account	590.75	590.75
Debenture Redemption Reserve	25.00	25.00
General Reserve	167.63	167.63
Retained Earnings	(2,272.27)	(1,940.10)
Other Comprehensive Income (OCI)	1.50	1.50
Deemed Equity Component of FCCB	0.36	0.36
Foreign Currency Monetary Item Translation Difference Account	4.84	(16.48)
	(1,399.30)	**(1,088.45)**

B. Nature of Reserves

Capital Reserve

Capital Reserve is utilised in accordance with provisions of the Companies Act, 2013.

Capital Redemption Reserve

Capital Redemption reserve (CRR) is being created as per Section 80 (d) of the Companies Act, 2013.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

Security Premium Account

Securities Premium Reserve is used to record the premium on issue of securities of the Company. This reserve is created and utilised as per the provisions of the Companies Act, 2013.

Debenture Redemption reserve

The Company is required to create a Debenture Redemption Reserve out of the profits which is available for redemption of debentures.

General Reserve

General Reserve represents appropriation of retained earnings and are available for distribution to Shareholders

Foreign Currency Monetary Item Translation Difference Account

Foreign Currency Monetary Item Translation Difference Account represents amounts recognised on account of translation of long term foreign currency denominated borrowings not related to acquisition of depreciable assets. Amounts so recognised are amortised in the statement of profit and loss over remaining maturity of related borrowings.

Retained earnings

Retained earnings represents surplus/ accumulated earnings of the company less any transfers to General Reserve, Tonnage Tax Reserves, dividend or other distribution paid to Shareholders

Dividend: In respect of year ended March 31, 2021, the Board of Directors of the Company has recommended dividend amounting to INR Nil (Previous Year INR Nil per share) on the fully paid up equity shares.

Deemed Equity: Represents deemed equity portion of FCCB as per Ind AS

2.15 Borrowings (Non-current)

₹ in Crore

	Non-current Portion		Current Maturities*		Total	
	As at		As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Secured						
Debentures						
Secured Non Convertible Debentures - (a)	-	-	147.57	139.72	147.57	139.72
Term Loans						
From Banks						
Rupee Term Loans - (b) and (e)(ii)	-	-	95.79	95.29	95.79	95.30
Foreign Currency Term Loans - (c)(i), (c)(iv),c(ii) and (e)(i)	-	-	545.67	541.42	545.67	541.42
External Commercial Borrowings (c)(iii), (c)(iv) and (e)(i)	-	-	45.14	46.70	45.14	46.70
Unsecured						
From Financial Institutions						
Rupee Term Loans - (e)(ii)	-	-	1.50	1.50	1.50	1.50
Foreign Currency Convertible Bonds (d) and (e)(i)	-	-	116.58	120.62	116.58	120.62
	-	**-**	**952.25**	**945.25**	**952.25**	**945.25**

* Current maturities of non-current borrowings have been disclosed under "Other Financial Liabilities (Current)", refer Note 2.20

Notes to the Consolidated financial statements

for the year ended March 31, 2021

All the lenders of the Parent Company and few lenders of other Group Companies have recognised event of default and classified the dues from the Company as Non Performing Asset (NPA).

One of the Lender had filed petition u/s 7 of IBC 2016 with National Company Law Tribunal (NCLT) Mumbai. Accordingly a Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'), as more elaborated in note 3.07 and 3.14

(a) Debentures comprise of following:

₹ in Crore

	As at				Original
	March 31, 2021		March 31, 2020		Redemption Date
	Gross	Carrying Value	Gross	Carrying Value	
1300 (Previous Year 1300) (12.00)% Secured Unlisted Unrated Non Convertible Debentures of INR 10,00,000 each *	126.45	147.57	126.45	139.72	Quarterly instalment starting from June 2020
Total (A)	**126.45**	**147.57**	**126.45**	**139.72**	

* Non Convertible Debentures were secured by first pari-pasu charge on specified vessels and subservient charge on specified vessel of the Company. The same are further collaterally secured on first pari-passu charge on specified moveable and immoveable assets, pledge of shares and hypothecation of all loans whether secured or unsecured given to Mercator Petroleum Limited held by the Parent Company and its step down subsidiary and shares of Mercator Oceantransport Limited. This is further secured by personal guarantee of the promoter. This will be redeemed at premium of 5% (for first two years) and 7% (subsequent residual tenor) on every redemption instalment or any prepayment as per terms of Debenture Trust Deed. Carrying value includes INR 21.12 crore (Previous Year INR 13.27 Crore) for redemption premium on cumulative accrual basis.

Premium payable on redemption of Non-Convertible Debentures issued to UTI amounting to INR 21.12 crore (Previous Year INR 13.27 crore) has been included under 'Non-Convertible Debentures within "Other Financial Liabilities (Current)" (Refer note 2.20)

(b) Rupee Term Loan comprise of following:

The Rupee term loans from banks of INR 95.79 crore (Previous Year INR 95.29 crore) is primarily secured against movable and immovable fixed assets of the Oil Block (CB/ONN/2005/9), project contracts and insurance policies. The loan is further collaterally secured by personal guarantee of promoter, parent company and investment property of the Company (Refer Note 2.2). The Lender has classified account as Non Performing Asset (NPA) and also initiated process of sale of oil blocks. The lender has given an undertaking in NCLT to supervise such sale. During the year, the bank has converted sub limit of FCNR amounting to USD 12 million into INR facility pursuant to NPA and utilised forward contract on maturity for such conversion. The entire facility is in INR denominated at the end of the year. The Bank has issued notice u/s 13(2) of SARFAESI Act 2002 dated September 7, 2020 and issued notice against borrower, corporate guarantor cum security provider and personal guarantor.

(c) Foreign Currency term loan comprise of following:

(i) The foreign currency term loans from banks of INR 545.67 crore (Previous Year INR 541.42 crore) are secured by a first ranking or exclusive charge/ mortgage/ security interest in respect of specified vessels of the Parent Company as well as charge on cash flows of specified vessels. Also out of total loan amounting to INR 117.79 crore (Previous Year INR 107.28 crore) are secured on cash flow from mining properties and pledge of shares of said companies including intercompany corporate guarantees.

(ii) Out of the above, The foreign currency term loans from banks of INR 427.88 crore (Previous Year INR 434.14 crore) (gross) are secured by a first ranking or exclusive charge/ mortgage / security interest in respect of specified vessels of the parent company as well as charge on cash flows of specified vessels. All the lenders have recognised event of default and classified the account under Non Performing Asset (NPA).

One of the Lender has filed petition u/s 7 of IBC 2016 with National Company Law Tribunal (NCLT) Mumbai. Accordingly a Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') as stated in note 3.07

Notes to the Consolidated financial statements

for the year ended March 31, 2021

Another Lender has exercised its right under mortgage deed and Sec 51 of the Merchant Shipping Act 1958 and sold the asset.

In addition to above, in case of foreign currency term loan of INR 101.39 crore (Previous Year INR 90.46 crore), the lender has filed case in Singapore High Court against borrower and Singapore guarantor wherein the summary judgment has been pronounced subsequent to balance sheet date and borrower is obliged to pay due instalments along with interest. For remaining amount, either parties have right to proceed for trials. Upon non payment on execution, the lender has right to take shelter under local laws for other means of recovery including wind up of borrower. Singapore guarantor has filed voluntary liquidation subsequent to balance sheet date which amounts to breach of terms and condition as per facility agreement and lender has right to take further course of action.

One of the financial lenders of the Wholly Owned Foreign Subsidiary had 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. The said subsidiary is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators

(iii) The external commercial borrowings of INR 45.14 crore (Previous Year INR 46.70 crore) (gross) are secured by a first ranking or exclusive charge/ mortgage/ security interest in respect of specified vessels of the company as well as charge on cash flows of specified vessels. The Lender has recognised event of default and classified the account under Non Performing Asset (NPA).

(iv) Pursuant to the initiation of CIR Process, all the facilities including foreign currency term loan liabilities amounting to INR 589.60 crore for the Parent Company has been crystallised in INR on February 7, 2021.

(d) Foreign Currency Convertible Bonds (FCCB) of USD 16 million outstanding amounting to INR 116.58 crore (Previous Year INR 120.62 crore) are convertible upon exercise of option during the period May 27, 2014 till April 27, 2019 at initial conversion price of INR 38.30 Per Share (at a fixed rate of exchange on conversion of INR 58.5740 per 1 USD). The maturity date of FCCB is May 27, 2019 which is listed on Singapore Stock Exchange. This is fully unsecured in nature. The Company has entered into financial commitment to rollover the said FCCB with existing Bondholder with major change in terms and conditions for which the Company is awaiting approval of Reserve Bank of India (RBI). Upon its receipt, as there is major change in valuation, this rollover will extinguish the underlying nomenclature of previous bond transaction and will amount to change in fair value under applicable IND AS.

The Parent Company had entered into binding obligation with the Bondholder for rollover of FCCB with change in major terms and conditions and had also applied with Reserve Bank of India for approval of the same which is awaited. The bondholders' revised/new terms and conditions are as under:

i. Maturity date of the FCCB's has been extended from May 27, 2019 to May 27, 2022 or such date as may be agreed by the Parties.

ii. The Conversion Price of the FCCB's has been reset from INR 38.30 per share to INR 10 per share (with a fixed rate of exchange on conversion of INR 58.5740 per USD)

iii. Earlier coupon of 4.75% per annum payable annually has been changed to 5.75% compounded annually.

iv. The Company shall provide as security for the existing FCCBs a charge over the "Yukti Prem", which was unsecured as per earlier terms.

v. Also, Put/Call/ Conversions options at various time frames and upon occurrence of certain events has been provided to respective parties which was not provided in earlier terms.

In view of non creation of charge (as the vessel has been arrested by operational creditors) as per terms and condition of Trust Deed, the Bondholder has triggered event of default. In addition to that, the Company was required to seek prior approval for sale of oil blocks or other material events of Mercator Petroleum Limited, which has also not been taken until date of reporting. The Bondholder has not yet exercised its right under put option wherein there is commitment of conversion share price at INR 10 per share. Correspondingly, the company has not paid annual interest as well due subsequent to reporting period. The Bondholder has exercised its right for repayment and treat entire facility callable on demand.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

(d) (i) Foreign Currency term from bank and Financial Institutions comprise of following:

₹ in Crore

Particulars	Currency	Unpaid Instal-ments*	Rate of Interest**	As at March 31, 2021 Gross	As at March 31, 2021 Carrying Value	As at March 31, 2020 Gross	As at March 31, 2020 Carrying Value	End of Tenure	Remarks*
External Commercial Borrowing	USD	*	Libor+3.40%	45.14	45.14	46.70	46.70	2022	Unpaid since SEP 2018
Total (B)				**45.14**	**45.14**	**46.70**	**46.70**		
Foreign Currency Term Loan	USD	*	Libor+4.50%	32.92	32.92	34.07	34.07	2022	
Foreign Currency Term Loan	USD	*	Libor+4.50%	22.77	22.77	23.56	23.56	2020	
Foreign Currency Term Loan	USD	*	Libor+4.50%	14.16	14.16	16.35	16.35	2020	
Foreign Currency Term Loan	USD	*	Libor+5.20%	109.84	109.84	113.64	113.64	2022	
Foreign Currency Term Loan	USD	*	Libor+4.50%	61.70	61.70	63.11	63.11	2025	
Foreign Currency Term Loan	USD	*	MCLR+3.55%	28.49	28.49	27.96	27.96	2023	
Foreign Currency Term Loan	USD	*	MCLR+3.55%	39.88	39.88	39.15	39.15	2023	
Foreign Currency Term Loan	USD	*	Libor+5.00%	18.00	18.00	18.19	18.19	2020	
Foreign Currency Term Loan	USD	*	Libor+5.00%	100.12	100.12	98.11	98.11	2022	
Foreign Currency Term Loan	USD	*	Libor+5.00%	101.39	101.39	90.46	90.46	2021	
Foreign Currency Term Loan	USD	*	Libor+6.00%	16.40	16.40	16.82	16.82	2018	
Total (C)				**545.67**	**545.67**	**541.42**	**541.42**		
Foreign Currency Convertible Bonds (FCCB) (D)	USD	*	5.75%	116.58	116.58	120.62	120.62	2022	
Total (B + C + D)					**707.39**		**708.74**		

* since all loans are demanded / called by Banks/ FIs etc - hence nothing has been reflected under " unpaid instalments"

** Interest rate as per Latest available records

(e) (ii) Rupee Term Loan from bank and Financial Institutions comprise of following:

Rupee term loan from Financial Institution (E)	INR	*	10% and 14.5%	1.50	1.50	1.50	1.50	2019	
Rupee term loan from Bank (F)	INR	*	1Y MCLR + 4.60%	95.79	95.79	95.29	95.29	2021	

* since all loans are demanded / called by Banks/ FIs etc - hence nothing has been reflected under " unpaid instalments"

** Interest rate as per Latest available records

Total (E + F)					**97.29**		**96.79**		
Total (A + B + C + D + E + F)					**952.25**		**945.25**		

(f) External Credit Rating under disclosure of SEBI (Credit Rating Agency) Regulation 2017

The CARE Ratings Limited (CARE) has downgraded the rating assigned to the Company for Long Term Credit facilities from CARE C (Single C) to CARE D (Single D) and Short Term Credit facilities from CARE A4 to CARE D and further upon non payment of surveillance fees for the rating exercise as per Rating Agreement during the year, the Rating has been denoted as CARE D (Issuer not cooperating). There have been delays / defaults in repayment of Loans instalments and Interest to Banks / Financial Institutions / Non Banking Finance Companies (NBFC) since end of Sept 2018.

The Company has committed breach of majorly all the applicable financial covenants including payment default in interest and instalment due to various Banks / financial institutions (FIs) which are still continuing in nature.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

2.15 (g) - Details of delays and defaults in repayment of Borrowings and Interest thereon

₹ in Crore

Sr. No.	Name of Lender	Note	Base Currency	Type of Loan	Borrowings				Interest		Borrowings				Interest			
					Delay in repayment during the year ended March 31, 2021##		Default as at March 31, 2021##		Default as at March 31, 2021##		Delay in repayment during the year ended March 31, 2020		Default as at March 31, 2020		Delay in repayment during the year ended March 31, 2020		Default as at March 31, 2020	
					₹ in Crore	No of Days	₹ in Crore	No of Days	₹ in Crore	No of Days	₹ in Crore	No of Days	₹ in Crore	No of Days	₹ in Crore	No of Days	₹ in Crore	No of Days
A	**LONG TERM LOANS**																	
1	Axis Bank Limited	a	USD	ECB	-	-	-	-	0.22	-	-	-	-	-	0.41	50	-	-
2	Axis Bank Limited	f	USD	ECB	45.14	313	45.14	679	5.72	679	-	-	46.70	366	-	-	4.00	366
3	Axis Bank Limited	a	USD	FCNR	-	-	-	-	-	-	9.51	122	-	-	1.02	36	0.22	91
4	Axis Bank Limited	f	USD	FCNR	32.92	313	32.92	679	6.22	679	-	-	34.07	366	-	-	4.60	366
5	Axis Bank Limited	f	USD	FCNR	22.77	313	22.77	679	4.55	679	-	-	23.56	366	-	-	3.18	366
6	Axis Bank Limited	f	USD	FCNR	14.16	313	14.16	679	3.87	679	6.30	183	16.35	366	-	-	5.84	366
7	Axis Bank Limited	f	USD	FCNR	109.84	313	109.84	679	23.38	679	-	-	113.64	366	-	-	13.67	366
8	Export and Import Bank of India	j	USD	FCTL	61.70	313	61.70	332	6.71	313	27.69	256	63.11	19	6.92	256	-	-
9	ICICI Bank Limited	k	USD	FCNR	100.11	313	100.11	679	19.39	679	0.23	30	98.11	366	0.18	30	10.00	366
10	ICICI Bank Limited	k	USD	FCNR	18.00	313	18.00	679	4.90	679	-	-	18.19	366	-	-	2.10	366
11	ICICI Bank Limited	k	USD	FCNR	28.49	313	28.49	679	7.04	679	-	-	27.96	366	-	-	3.19	366
12	ICICI Bank Limited	k	USD	FCNR	39.88	313	39.88	679	9.88	679	-	-	39.15	366	-	-	4.47	366
13	IDBI Bank Limited	a	USD	ECB	-	-	-	-	-	-	-	-	-	-	4.04	50	-	-
14	AION Direct Private Limited	d	USD	FCCB	116.58	313	116.58	313	18.89	614	-	-	-	-	-	-	12.89	301
15	Axis Finance Limited		INR	TL	-					-	-	-	-	-	-	-	-	-
16	UTI Capital Private Limited	b	INR	NCD	147.57	313	147.57	313	168.75	712	-	-	-	-	-	-	73.17	399
17	Yes Bank Limited	c	INR	Car Loan	-	-	-	-	-	-	0.01	30	-	-	-	-	-	-
18	Bank of Baroda	l	INR	TL	95.79	366	95.79	366	34.47	731	-	-	95.29	366	-	-	15.91	366
19	ICICI Bank Limited	m	USD	TL	101.39	366	101.39	366	-	-	-	-	90.46	366	-	-	9.54	366
20	ICICI Bank Limited	n	USD	TL	16.40	366	16.40	366	3.51	731	3.65	30	16.82	366	-	-	1.90	366
	Total				**950.75**		**950.75**		**317.51**		**47.39**		**683.41**		**12.57**		**164.68**	
B	**SHORT TERM LOANS (inc Working Capital)**																	
1	ICICI Bank Limited	e	INR	STL	3.06	313	3.06	444	4.53	679	14.00	235	3.06	131	-	-	4.27	366
2	Other Financial Lenders #		INR	ICD	20.43	313	20.43	679	9.69	679	10.61	92	29.17	366	-	-	7.99	366
3	State Bank of India	h	INR	MTL	74.79	313	74.79	640	30.30	640	174.47	39	74.79	327	-	-	16.53	327
4	State Bank of India	i	INR	CC	91.18	313	91.18	649	31.13	649	7.52	30	76.50	336	0.88	30	11.25	336
5	Yes Bank Limited	g	INR	CC	20.00	313	20.00	456	8.13	314	-	-	24.12	143	3.50	335	0.36	1
6	Axis Bank Limited	r	INR	STL	220.62	366	220.62	611	38.34	610	-	-	142.19	245			13.64	245
7	ICICI Bank Limited	o	USD	WC	148.10	366	148.10	732	-	731	-	-	151.90	366			20.79	366
8	DBS Bank Limited	p	USD	WC	21.85	366	21.85	732	2.08	731	-	-	22.41	366	0.17	306	1.38	366
9	Axis Bank Limited	q	INR	WC	58.83	366	58.83	732	28.83	731	-	-	133.49	366			20.31	366
	Total				**658.86**		**658.86**		**153.03**		**206.60**		**657.64**		**4.55**		**96.52**	
C	**OTHER PROMISSORY NOTE BASED FACILITY**																	
1	DBS Bank	s	USD	WC	-		-						54.74	366				
	Total				**-**		**-**		**-**		**-**		**54.74**		**-**		**-**	
	Grand Total				**1,609.61**		**1,609.61**		**470.54**		**253.99**		**1,395.78**		**17.12**		**261.20**	

Notes to the Consolidated financial statements

for the year ended March 31, 2021

#	Delays /defaults w.r.t. loan from various NBFCs / Financial Institutions have been consolidated under "Other Financial Lender" and not disclosed case wise for the Parent Company.
##	Delays/defaults for the current year for the Parent Company have been considered upto to February 07, 2021 i.e. upto the date of RP appointment, as per note 3.07 and 3.14
	The borrowings of the Parent Company have been crystallised in INR and admitted as of February 07, 2021"
	Current year incremental default days have been calculated from April 01, 2020 to February 07, 2021 for the loan outstanding as at March 31, 2021 in case of Parent company.
*	Due to non availability of relevant information from the subsidiaries, interest default working has been prepared based on limited facts available and may not depict correct facts for certain reporting done.

Additional Note:

a	The Bank has recognized event of default as per terms and condition of loan agreement and ECB has been fully paid off by sale of its underlying vessel "Prem Pride".
b	During the previous year, the Debenture trustee has recognized event of default retrospectively from October 04, 2018 and charged penal interest as per terms and condition of Debenture Trust Deed. The same has been accrued and is unpaid as on Balance Sheet date.
c	Pursuant to delay in repayment of instalment, the Company has sold underlying asset and prepaid the debt obligation.
d	Subsequent to rollover of FCCB dated May 27, 2019, the Trustee has recognized event of default dated June 04, 2019. during the year , Bondholder has recalled the FCCB and sought payment immediately based on breach of negative covenant stated as per sanction terms.
e	Pursuant to classification of NPA upon delay in payment of loan, the Bank has adjusted earmarked cash margin.
f	The Bank has classified account as NPA dated February 28, 2019.
g	The Bank has recalled loan dated November 9, 2019 and account has been classified as NPA
h	The account has been classified as NPA on May 9, 2019 and the Bank had filed petition u/s 7 of Insolvency and Bankruptcy Code 2019. The Bank had also invoked personal guarantee of promoter director which has been undischarged on date of balance sheet.
i	The account was classified as NPA on April 23, 2019 and the bank had filed petition u/s 7 of Insolvency and Bankruptcy Code 2019. There were devolvement of LC's and BG's cumulative amounting to INR 24.32 Crore (Previous Year INR 36.05 Crore) and converted into fund based utilization.
j	The Bank had recalled loan dated November 13, 2019 and exercised rights u/s 51 of Merchant Shipping Act 1958 for sale of underlying vessel "Hansa Prem". The Bank had classified account as NPA on July 1, 2019.
k	The Bank had classified account as NPA on February 28, 2019 and debt obligation was outstanding as on March 31, 2020. The Bank had converted part of loan in Indian Rupee (INR) at notional rate considering NPA provisioning norms and also filed petition u/s 9 of the Insolvency and Bankruptcy Code 2016, which has been admitted as on February 8, 2021.
l	The Bank had classified account as NPA dated June 18, 2019 and issued notice u/s 13 of SARFAESI Act 2002 against borrower, guarantor and personal guarantor.
	The Bank had also converted USD FCNR loan into INR Term Loan. The debt obligation is outstanding during the year."
m	The Bank had invoked loan and guarantee of Singapore guarantor dated May 13, 2019 and May 21, 2019 respectively. The debt obligation is outstanding and the bank has filed case in High Court of Singapore against borrower and Singapore guarantor where hearing is in process on date of balance sheet. The Bank had also sent letter of demand to Indonesian Guarantor against which civil case has been filed in district court of south Jakarta. Hearing of the case is in progress.
n	The Bank had invoked loan and guarantee of Singapore guarantor dated May 13, 2019 and May 21, 2019 respectively. The debt obligation is outstanding. The Bank had also sent letter of demand to Indonesian Guarantor against which civil case has been filed in district court of south Jakarta. Hearing of the case is in progress
o	The Bank had invoked loan and guarantee of Singapore Guarantor dated May 13, 2019 and May 21, 2019 respectively. The debt obligation is outstanding.
p	The Bank had invoked loan and issued letter of demand dated August 29, 2019 and statutory demand notice dated October 10, 2019 to borrower. The debt obligation is outstanding.
q	The Bank had classified account as NPA dated February 28, 2019 and debt obligation is outstanding at Balance Sheet date. The Bank had additionally sanctioned litigation funding for arbitration hearing and subsequent to balance sheet date, the subsidiary Company has executed undertaking for recovery of debt obligation from realisation of claim under arbitration.
r	Pursuant to the order of High Court of Bombay in relation to invocation of Bank Guarantee under Sagar Samrat Conversion Project (SSCP), the bank had discharged its obligation towards beneficiary. The short term loan is outstanding at the end of the year and interest has been unpaid until date of reporting.
s	The Bank had invoked loan and issued letter of demand dated August 29, 2019 and statutory demand notice dated October 10, 2019 to borrower as well as guarantor. The debt obligation is outstanding.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

₹ in Crore

	As at March 31, 2021	As at March 31, 2020
2.16 Other Financial Liabilities (Non-Current)		
Security Deposit	4.82	11.87
Other payables	12.11	23.17
	16.93	**35.04**
2.17 Provisions (Non Current)		
Provision for employee benefits		
Compensated absences	5.43	4.41
	5.43	**4.41**
2.18 Borrowings (Current)		
Secured		
From Banks		
Cash Credit (Refer Note No. 2.18(a)(i))	501.75	490.29
Rupee loan payable on demand (Refer Note No. 2.18(a)(ii)	74.79	74.79
Foreign Currency loan payable on demand	58.80	60.30
From Financial Institutions		
Other Loans (Refer Note No 2.18(a)(iii) and 2.18(b))	18.97	27.68
Unsecured		
From Banks		
Loan repayable on demand	3.06	3.06
From Others		
Loan from Director (Refer Note No 2.18 (a)(v and vii) and 2.18(c))	17.37	13.42
	674.74	**669.54**

Note:

(a) (i) Cash Credit facilities from Scheduled Banks are secured by first charge on all receivables on pari-passu basis and second charge on specified vessels. Loan repayable on demand from banks are secured by cash collateral cum earmarked balances and promoter's personal guarantee. Other loans are secured by pledge of shares and personal guarantee of promoters Unsecured loan repayable on demand from other party has novation right / put option to exercise from one of step down subsidiary of the Company.

(ii) Loan repayable on demand from banks are secured by promoter's personal guarantee. During the previous year, loan repayable on demand INR 17.07 crore had been adjusted against cash collateral cum earmarked balance and hence balance amount has been classified as unsecured and reclassified disclosure accordingly.

(iii) Other loans are secured by pledge of shares and personal guarantee of promoters In case of loan amounting to INR 12.55 crore (Previous Year INR 16.50 crore), the parent company has created pledge on shares of its one of the subsidiary company Mercator Petroleum Limited. One of the NBFC lender has invoked 2,55,00,000 No. of shares of promoters on July 2, 2020. The parent Company has consequently adjusted in its books the outstanding due in part amounting to INR 3.95 crore.

(iv) Unsecured loan repayable on demand from other party has novation right / put option to exercise from one of step down subsidiary of the Company. The same has been executed and discharged its obligation during the previous year.

(v) Loan from director has been stated at actual amount of invocation of shares by the financial lenders wherein the company has taken an external legal opinion for its legal implication and right of director to recover amount of net worth utilised for repayment of debt obligation of the Company.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

(vi) Foreign Currency Demand Loan is provided as a sublimit of the existing Overdraft limit for a tenure of one year, with a roll over to be undertaken after 6 months. Rate of Interest: 6 months LIBOR plus 5.5 % p.a. payable monthly

* During the year ended March 31, 2019, financial lender of a step down overseas subsidiary has invoked Letter of Comfort (LOC) amounting to INR 244.61 crore (USD 35.20 million) which has resulted in a claim of debt of such amount with interest on the Parent Company as on March 31, 2019. A part of such loan, amounting to INR 74.47 crore, has been recovered by the lender on May 9, 2019 from the sales proceeds of sale of vessel Nerissa in the step down subsidiary.

(vii) Loan from director has been stated at actual amount of invocation of shares to the extent of settlement of debt obligation of the financial lenders The Company has taken a legal opinion for its legal implication and right of director (including relative) to recover amount of net worth utilised for repayment of debt obligation of the Company

(b) ₹ in Crore

	Nature	Rate of Interest	March 31, 2021		March 31, 2020		Remarks
			Gross	Carrying Value	Gross	Carrying Value	
Financial Institution*	Short Term	16.00%	12.55	12.55	16.50	16.50	during the year , lender has invoked pledged shares and recovered partial amount of loan. (Refer note 3.22)
Financial Institution*#	Short Term	18.00%	-	-	6.00	6.00	During the year , lender has settled the loan. (Refer note 3.19)
Financial Institution	Short Term	14.00%	5.92	5.92	4.68	4.68	Lender has sold all pledged shares and recovered the partial amount and the loan amount is still outstanding.
Financial Institution	Short Term	14.00%	0.50	0.50	0.50	0.50	
Total			**18.97**	**18.97**	**27.68**	**27.68**	

The above loans are secured against pledge of shares held by promoters.

* Loans are further collaterally secured by Personal Guarantee of Promoters.

(c) Repayment of short term loan by way of Invocation of pledged shares during the financial year ended 2020-2021

₹ in crore

Name of Director (including relatives)	No of Shares Invoked	Price of Invocation	Loan Outstanding (₹ in crore)
(i) H. K. Mittal	1,11,18,800	1.55	1.72
(ii) Archana Mittal	67,00,000	1.55	1.04
(iii) AHM Investments Private Limited	76,81,200	1.55	1.19
Total	**2,55,00,000**		**3.95**

Based on an independent legal opinion, the Parent Company has restated loan from directors arises on account of invocation of shares at actual price of such sale of shares by lenders and recovered debt obligation.

Invocation of Shares pledged for Short Term Loan during the previous year 2019-2020

₹ in crore

Name of Director (including relatives)	No of Shares Invoked	Price of Invocation	Loan Outstanding (₹ in crore)
(i) H. K. Mittal	1,06,00,000	1.719	1.82
(ii) H. K. Mittal	90,65,000	4.715	4.27
(iii) H. K. Mittal	18,00,000	2.796	0.50
(iv) Archana Mittal	78,92,200	2.476	1.95
Total	**2,93,57,200**		**8.55**

Notes to the Consolidated financial statements

for the year ended March 31, 2021

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020

2.19 Trade Payables

Total Outstanding of		
- Micro and small enterprises (Refer Note No. 3.31)	0.35	0.35
- Other than micro and small enterprises	148.13	185.63
	148.48	**185.98**

2.20 Other Financial Liabilities (Current)

Current maturities of long-term debt		
- Non Convertible Debentures (Refer Note No. 2.15)	147.57	139.72
- External commercial borrowings (Refer Note No. 2.15)	45.14	46.70
- Rupee Term Loan from Financial Institution (Refer Note No. 2.15)	1.50	1.50
- Term loans from banks (Refer Note No. 2.15)	641.46	636.71
- Foreign Currency Convertible Bonds (Refer Note No 2.15)	116.58	120.62
Capital Creditors	-	1.96
Interest accrued and due on borrowings	463.36	261.32
Interest Accrued and Due - Claims not admitted (Refer Note No. 2.15)	7.18	-
Lease Payable	8.71	7.97
Unpaid dividend (a)	0.15	0.15
Other payables	100.58	63.16
	1,532.23	**1,279.81**

(a) There is no amount, due and outstanding, to be credited to Investor Education and Protection Fund.

2.21 Other Current Liabilities

Statutory dues payables*	35.93	37.44
Service Tax Payable net of CESTAT deposit of INR 2.34 crore (Previous Year INR 2.34 crore)	1.40	1.40
Other Payables	6.42	6.42
Advance from customers	49.41	27.38
	93.16	**72.64**

* Statutory dues includes liability towards GST net of GST input credit receivable.

2.22 Provisions (Current)

Provision for employee benefits		
Gratuity	0.20	0.13
Compensated absences	-	0.06
	0.20	**0.19**

Notes to the Consolidated financial statements

for the year ended March 31, 2021

₹ in Crore

	For the Year Ended	
	March 31, 2021	March 31, 2020

2.23 Revenue from Operations

Revenue from -		
Freight and demurrage	-	7.48
Dredging	6.85	23.78
Charter hire	-	108.38
Sale of Crude Oil	-	2.01
Coal Sales and support services	366.93	496.96
Income from project related activities (a)	-	-
	373.78	**638.61**

(a) Details of Contract Revenue and Cost under IND AS 115

Contract revenue recognised during the year	Nil	Nil
Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	Nil	Nil
Advances received for contracts in progress	Nil	Nil
Retention money for contracts in progress	Nil	Nil
Gross amount due from customers for contract work (Asset)	204.61	204.61
Gross amount due to customers for contract work (Liability)	Nil	Nil

(b) Disaggregation of revenue

Type of Revenue		
Revenue recognised at point in time		
Sale of Goods	278.91	380.16
Services rendered	-	-
Revenue recognised over time		
Sale of Goods	-	-
Services rendered	94.87	258.45
Total	**373.78**	**638.61**

2.24 Other Income

Rent Income	-	0.19
Interest income		
- Fixed Deposits and Inter corporate deposits	0.18	1.82
- others	0.11	-
Balances written back / written off (net) (Refer Note No. 3.39)	10.15	4.76
Gains/ (Loss) on Exchange Differences (net)	20.90	-
Gain on sale of non current investment	0.09	-
Other Income (Refer Note No.3.19)	7.38	8.61
	38.81	**15.38**

Notes to the Consolidated financial statements

for the year ended March 31, 2021

₹ in Crore

	For the Year Ended	
	March 31, 2021	March 31, 2020

2.25 Operating Expenses

Coal purchases, mining and handling expenses	168.55	369.88
Bunker Consumed	-	12.35
Vessel /Equipment hire expenses	60.62	14.87
Crew Expenses	0.41	29.54
Agency, Professional and service expenses	38.95	2.61
Communication expenses	-	0.56
Commission	0.60	-
Dispatch and Demurrage	11.95	-
Insurance	0.54	6.02
Port expenses	5.04	4.27
Repairs and Maintenance	1.47	24.26
Stevedoring, transport and freight expenses	-	0.50
Other Expenses	1.60	3.19
	289.73	**468.05**

2.26 Employee Benefits Expenses

Salaries, wages, bonus, etc.	21.91	32.32
Contribution to provident and other funds	0.29	0.54
Employee welfare expenses	0.69	0.86
	22.89	**33.72**

2.27 Finance cost

Interest expense	180.77	145.20
Penal Interest	101.03	92.79
Other finance cost	8.99	22.76
	290.79	**260.75**

(a) In lieu of the fact that the CIRP has been initiated against the Parent Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the NCLT and the moratorium u/s 14 of Insolvency and Bankruptcy Code 2016 has been declared in the said order, the Parent Company has provided interest expenses and penal interest as per contractual terms and condition of all the loans from external financial lenders upto February 07, 2021, irrespective of the fact whether the same has been charged or confirmed by the lenders.

(b) Interest expenses includes interest of INR 1.11 crores (Previous Year INR 0.92 crores) on delayed deposit of tax deducted at source (TDS) in compliance with Chapter XVII-B of Income Tax Act 1961.

2.28 Impairment

Impairment/(Reversal of Impairment) on Property Plant and Equipment's (Refer note 2.1 (xi))	(1.86)	41.04
Impairment of Loans, advances and Investment	28.49	-
	26.63	**41.04**

Notes to the Consolidated financial statements

for the year ended March 31, 2021

₹ in Crore

	For the Year Ended	
	March 31, 2021	March 31, 2020

2.29 Loss on Sale / Discard of Asset (Refer note 2.1 (xi)

Loss on Sale / Discard of Fixed Asset	2.26	211.52
Loss on Asset classified as Asset Held For Sale	-	22.35
	2.26	**233.87**

2.30 Other expenses

Rent	0.80	3.64
Payment to auditors		
As auditors	0.40	0.47
For other services (certification and other matters)	0.05	0.12
Repairs and Maintenance	0.16	0.39
Insurance	0.01	0.39
Net Loss on foreign currency transactions/translation	-	16.56
Legal, Professional and consultancy expenses	37.34	33.67
Communication Expenses	0.04	0.10
Conveyance, Car Hire and Travelling	0.06	1.67
Advertisement	-	0.03
Loss on Fair Value of Investment	-	105.47
Bad Debts and other amounts written off/back (net)	-	37.59
Interest/Compounding fees on TDS payments	1.70	-
Provision for doubtful debts/advances	-	3.48
Miscellaneous expenses	4.38	15.85
	44.93	**219.43**

2.31 Income Tax Expenses

Amount recognised in Statement of Profit and Loss		
Current Tax		
Income tax for the year	6.23	11.18
Adjustments/(credits) related to previous years - Net (Refer Note 3.33)	9.35	-
Total current tax	**15.58**	**11.18**
Deferred tax		
Deferred tax for the year	-	(0.13)
	-	(0.13)
Total	**15.58**	**11.05**

Notes to the Consolidated financial statements

for the year ended March 31, 2021

₹ in Crore

	For the Year Ended	
	March 31, 2021	March 31, 2020
3.01 Disclosure as per Ind AS 33 "Earnings per Share (EPS)"		
(a) For Continuing Operation		
Basic EPS (in INR)	(10.98)	(30.52)
Diluted EPS (in INR) *	(10.98)	(30.52)
Reconciliation of earnings used in calculating earning per share		
Total Profit/(loss) attributable to equity shareholders	(332.17)	(923.16)
Weighted average numbers of equity shares used in the calculation of EPS:		
Weighted average numbers of equity shares used in the calculation of Basic EPS	30,24,59,335	30,24,59,335
Dilutive impact of FCCB (Anti Dilutive, hence Nil)	-	-
Weighted average numbers of equity shares and potential equity shares used in the calculation of Diluted EPS	30,24,59,335	30,24,59,335
Face Value per equity share (INR)	1.00	1.00
* Diluted EPS for the year ended March 31,2021 is considered as same as Basic EPS, Since the effect is antidilutive		
(b) For Discontinued Operation		
Basic EPS (in INR)	-	(0.10)
Diluted EPS (in INR) *	-	(0.10)
Reconciliation of earnings used in calculating earning per share		
Total Profit/(loss) attributable to equity shareholders	-	(2.93)
Weighted average numbers of equity shares used in the calculation of EPS:		
Weighted average numbers of equity shares used in the calculation of Basic EPS	30,24,59,335	30,24,59,335
Dilutive impact of FCCB (Anti Dilutive, hence Nil)	-	-
Weighted average numbers of equity shares and potential equity shares used in the calculation of Diluted EPS	30,24,59,335	30,24,59,335
Face Value per equity share (INR)	1.00	1.00
* Diluted EPS for the year ended March 31,2021 is considered as same as Basic EPS, Since the effect is antidilutive		
(c) For Continuing and Discontinued Operation		
Basic EPS (in INR)	(10.98)	(30.62)
Diluted EPS (in INR) *	(10.98)	(30.62)
Reconciliation of earnings used in calculating earning per share		
Total Profit/(loss) attributable to equity shareholders	(332.17)	(926.09)
Weighted average numbers of equity shares used in the calculation of EPS:		
Weighted average numbers of equity shares used in the calculation of Basic EPS	30,24,59,335	30,24,59,335
Dilutive impact of FCCB (Anti Dilutive, hence Nil)	-	-
Weighted average numbers of equity shares and potential equity shares used in the calculation of Diluted EPS	30,24,59,335	30,24,59,335
Face Value per equity share (INR)	1.00	1.00

* Diluted EPS for the year ended March 31,2021 is considered as same as Basic EPS, Since the effect is antidilutive

Notes to the Consolidated financial statements

for the year ended March 31, 2021

3.02 Disclosures in accordance with Ind AS -19 on "Employee Benefits":

(i) Defined benefit plans expose the Group to actuarial risks such as: Interest Rate Risk, Salary Risk and Demographic Risk.

i. **Interest Rate Risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.

ii. **Salary risk:** Higher than expected increases in salary will increase the defined benefit obligation.

iii. **Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defi ned benefit obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(A) Defined Contribution Plans:

The Group has recognised the following amounts in the Statement of Profit and Loss for the year:

₹ in Crore

Particulars	For the Year Ended	
	March 31, 2021	March 31, 2020
Contribution to Employees' Provident Fund (Includes Contribution to Seamen's Provident Fund)	0.10	0.42

(B) Defined Benefit Plans:

During the year, the Parent Company has not obtained actuarial valuation for defined benefit plans and other long term benefits as total number of employees on the Parent company's payroll were less than 10 and management believes that existing employees will not stay for long with company under the existing conditions in the Parent Company and hence, valuation is not required. Further, details of subsidiary are not available.

Accordingly current year details has been disclosed and reported as Not Available (N.A) and closing balances of Previous Year are carried forward and are not from any certified valuation.

₹ in Crore

Actuarial Assumptions	Gratuity		Leave Encashment	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(a) Discount Rate	N.A	6.84% to 8.75%	N.A	6.84% to 8.75%
(b) Salary Escalation Rate	N.A	2% to 9%	N.A	2% to 9%
(c) Staff Turnover Rate	N.A	2% to 10% p.a. age related on graduated scale	N.A	2% to 10% p.a. age related on graduated scale
(d) Mortality Table	N.A	India Assurance Lives mortality (2012-14) Ultimate and Table Mortality Indonesia 2011	N.A	India Assurance Lives mortality (2012-14) Ultimate and Table Mortality Indonesia 2011

Notes to the Consolidated financial statements

for the year ended March 31, 2021

(i) Changes in Defined Benefit Obligation

₹ in Crore

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Defined Benefit Obligation at the beginning	**0.13**	**1.24**	**4.47**	**4.88**
Current Service Cost (estimated as per Management of Parent Company)	0.07	0.05	1.02	1.48
Past Service Cost	-	-	-	0.27
Interest Expense	-	0.06	-	0.34
Foreign Exchange Difference	-	-	-	(0.36)
Benefit Payments from Employer	-	(0.94)	(0.06)	(1.61)
Remeasurements - Due to Demographic Assumptions	-	0.00	-	(0.20)
Remeasurements - Due to Financial Assumptions	-	(0.09)	-	(0.33)
Remeasurements - Due to Experience Adjustments	-	(0.19)	-	-
Defined Benefit Obligation at the end	**0.20**	**0.13**	**5.43**	**4.47**

(ii) Change in Fair Value of Plan Assets

₹ in Crore

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Fair Value of Plan Assets at the beginning	**-**	**-**	**-**	**-**
Employer Direct Benefit Payments	-	0.94	0.06	1.61
Benefit Payments from Employer	-	(0.94)	(0.06)	(1.61)
Fair Value of Plan Assets at the end	**-**	**-**	**-**	**-**

(iii) Components of Defined benefit cost

₹ in Crore

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Current Service Cost (estimated as per Management of Parent Company)	0.07	0.05	1.02	1.48
Past Service Cost	-	-	-	0.27
Foreign Exchange Difference	-	-	-	(0.36)
Total Service Cost	**0.07**	**0.05**	**1.02**	**1.39**
Interest Expense on Defined benefit obligation	-	0.06	-	0.34
Total Net Interest Cost	**-**	**0.06**	**-**	**0.34**
Reimbursement of Other Long Term Benefits	-	-	-	-
Defined Benefit Cost included in the Statement of Profit and Loss	**0.07**	**0.11**	**1.02**	**1.73**
Remeasurements - Due to Demographic Assumptions	-	0.00	-	(0.20)
Remeasurements - Due to Financial Assumptions	-	(0.09)	-	(0.33)
Remeasurements - Due to Experience Adjustments	-	(0.19)	-	-
Total Remeasurements in Other Comprehensive Income	**-**	**(0.28)**	**-**	**(0.53)**
Total Defined Benefit Cost recognised in the Statement of Profit and Loss and Other Comprehensive Income	**0.07**	**(0.17)**	**1.02**	**1.20**

Notes to the Consolidated financial statements

for the year ended March 31, 2021

(iv) Net defined Benefit Liability/(Asset) reconciliation

₹ in Crore

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Net Defined Benefit Liability / (Asset) at the beginning	**0.13**	**1.24**	**4.47**	**4.88**
Defined Benefit Cost included in the Statement of Profit and loss (estimated as per Management)	0.07	0.11	1.02	1.73
Total Remeasurements included in Other Comprehensive Income	-	(0.28)	-	(0.53)
Employer Direct Benefit Payments	-	(0.94)	(0.06)	(1.61)
Employer Direct Settlement Payments	-	-	-	-
Net Defined Benefit Liability / (Asset) at the end	**0.20**	**0.13**	**5.43**	**4.47**

(v) Amounts recognized in the Balance Sheet

₹ in Crore

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Defined Benefit Obligation	0.20	0.13	5.43	4.47
Fair Value of Plan Assets	-	-	-	-
Funded Status	**0.20**	**0.13**	**5.43**	**4.47**
Effect of Asset Ceiling/Onerous Liability	-	-	-	-
Net Defined Benefit Liability/(Asset)	**0.20**	**0.13**	**5.43**	**4.47**
Of which, Short term Liability	**-**	**0.13**	**-**	**0.06**

(vi) Experience Adjustments - Gratuity

Particulars	2017	2018	2019	2020	2021
Defined Benefit Obligation at the end of the period	2.10	1.08	1.16	0.13	0.19
Plan Assets NA	NA	NA	NA	NA	
Surplus / (Deficit)	NA	NA	NA	NA	NA
Experience adjustments of Obligation [Gain/ (Loss)]	(0.63)	(0.82)	(0.08)	(0.28)	-
Experience adjustments on Plan Assets	NA	NA	NA	NA	NA

(vii) Maturity Profile of Defined Benefit Obligation :

Not available (N.A)

(viii)Sensitivity Analysis

Not available (N.A)

Notes to the Consolidated financial statements

for the year ended March 31, 2021

3.03 Disclosure as per Ind AS 108 " Operating Segment "

The Group's operating segments are established on the basis of those components of the group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group has two principal operating and reporting segments; viz. Shipping and Coal mining, trading and logistic.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Group with following additional policies for segment reporting.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocated".

₹ in Crore

(b) Segment particulars	Shipping		Coal Mining, Trading and Logistics		Others		Unallocated		Total Continuing Business		Discontinued Business	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Segment Revenue	6.85	132.16	366.93	504.44	-	2.01	-	-	373.78	638.61	-	-
Segment Results												
Profit/(loss) before interest, exceptional items and tax	6.97	(319.71)	26.04	(114.22)	(46.31)	(49.61)	-	-	(13.30)	(483.54)	-	(2.93)
Less: Interest									(290.79)	(260.75)	-	-
Profit/(loss) before exceptional items and tax									(304.09)	(744.29)	-	(2.93)
Less: Exceptional Item (Refer Note No 3.30)									-	154.19		
Total Profit / (Loss) Before Tax								(304.09)	(898.48)	-	(2.93)	
Provision for Tax												
Current Tax								(15.58)	(11.18)	-	-	
Deferred Tax								-	0.13			
Net Profit / (Loss)									**(319.67)**	**(909.53)**	**-**	**(2.93)**
Other Information												
Assets	226.62	250.36	527.87	524.85	452.00	477.85	12.18	30.61	1,218.67	1,283.67	0.08	9.88
Liabilities	1,315.04	1,161.70	391.58	370.15	403.54	348.17	360.85	357.39	2,471.01	2,237.41	0.16	10.20
Capital Expenditure	-	5.47	2.52	36.38	0.69	4.03	-	-	3.21	45.88	-	-
Depreciation	-	41.05	39.31	100.27	0.14	0.10	-	-	39.45	141.42	-	-
Impairment	(1.86)	41.04	-	-	28.49	-	-	-	26.63	41.04	-	-

3.04 Additional information pursuant to Para 2 to General Information for the Preparation of Consolidated Financials Statements*

₹ in Crore

Sr. No	Name of Entity	Relationship	Net assets i.e. Total assets minus Total Liabilities		Share in profit/(loss) for the year		Share in other comprehensive income/ (loss) for the year		Share in total comprehensive income/ (loss) for the year	
			% of consolidated net assets	Post Elimination Amount (in crore)	% of consolidated Profit/(loss)	Amount (in crore)	% of Consolidated other comprehensive income	Amount (in crore)	% of Consolidated total comprehensive income	Amount (in crore)
1	Mercator Limited	Parent Company	39.78%	(498.21)	66.24%	(211.74)	0.00%	-	66.24%	(211.74)
2	Mercator Oil and Gas Limited	Subsidiary – Indian	21.38%	(267.77)	13.04%	(41.69)	0.00%	-	13.04%	(41.69)
3	Mercator Petroleum Limited	Subsidiary – Indian	10.63%	(133.11)	5.61%	(17.94)	0.00%	-	5.61%	(17.94)
4	Mercator Offshore Logistic Private Limited (Dredging Private Limited)	Subsidiary – Indian	0.16%	(2.02)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
5	Oorja Resources India Private Limited	Subsidiary – Indian	0.00%	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
6	Mercator Oceantransport Limited	Subsidiary – Indian	0.00%	0.03	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
7	Mercator International Pte Ltd@	Subsidiary – Foreign	37.13%	(465.00)	18.47%	(59.03)	0.00%	-	18.47%	(59.03)
8	Oorja Holdings Pte Ltd	Subsidiary – Foreign	-1.75%	21.97	0.78%	(2.48)	0.00%	-	0.78%	(2.48)
9	Offshore Holdings Company Pte Ltd	Subsidiary – Foreign	0.76%	(9.50)	-0.19%	0.61	0.00%	-	-0.19%	0.61
10	Mercator Energy Pte Ltd @	Subsidiary – Foreign	13.70%	(171.53)	-0.05%	0.16	0.00%	-	-0.05%	0.16
11	Marvel Value International Limited @	Subsidiary – Foreign	0.42%	(5.25)	-10.06%	32.15	0.00%	-	-10.06%	32.15
12	Mercator Offshore Assets Holding Pte Ltd	Subsidiary – Foreign	5.20%	(65.13)	0.00%	0.00	0.00%	-	0.00%	0.00
13	Panther Resources Pte Ltd	Subsidiary – Foreign	-4.68%	58.57	7.81%	(24.96)	0.00%	-	7.81%	(24.96)
14	Oorja 1 Pte Ltd	Subsidiary – Foreign	0.00%	(0.03)	0.01%	(0.02)	0.00%	-	0.01%	(0.02)
15	Oorja 2 Pte Ltd	Subsidiary – Foreign	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
16	Oorja (Batua) Pte Ltd	Subsidiary – Foreign	-1.88%	23.50	0.02%	(0.07)	0.00%	-	0.02%	(0.07)
17	MCS Holdings Pte Ltd@	Subsidiary – Foreign	2.70%	(33.80)	3.44%	(11.01)	0.00%	-	3.44%	(11.01)
18	Oorja Mozambique Minas Limitada	Subsidiary – Foreign	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-
19	Mercator Offshore (P) Pte Ltd	Subsidiary – Foreign	1.98%	(24.83)	0.99%	(3.17)	0.00%	-	0.99%	(3.17)
20	PT Karya Putra Borneo**	Subsidiary – Foreign	-12.86%	161.10	-13.09%	41.84	0.00%	-	-13.09%	41.84
21	Broadtec Mozambique Minas Limiteda	Subsidiary – Foreign	0.01%	(0.13)	0.00%	-	0.00%	-	0.00%	-
22	PT Oorja Indo KGS	Subsidiary – Foreign	0.34%	(4.26)	0.27%	(0.86)	0.00%	-	0.27%	(0.86)
23	PT Oorja Indo Petangis Three	Subsidiary – Foreign	0.00%	0.03	0.00%	-	0.00%	-	0.00%	-
24	PT Oorja Indo Petangis Four	Subsidiary – Foreign	-0.03%	0.34	0.00%	-	0.00%	-	0.00%	-
25	PT Indo Perkasa	Subsidiary – Foreign	-3.72%	46.59	6.46%	(20.66)	0.00%	-	6.46%	(20.66)
26	PT Bema Gema Permata	Subsidiary – Foreign	0.05%	(0.61)	0.25%	(0.79)	0.00%	-	0.25%	(0.79)
	Non Controlling Interest		-9.31%	116.63	0.00%	-	0.00%	-	0.00%	-
	Total			**(1252.42)**		**(319.67)**		**0.00**		**(319.67)**

@ The Companies have been placed under voluntary liquidation / strike off in accordance with local regulations subsequent to reporting period
* Due to non availability of relevant information from the subsidiaries, disclosures have been prepared based on limited facts available and may not depict correct facts for certain reporting done.
** Consolidated based on criteria of control over management and operations

Notes to the Consolidated financial statements

for the year ended March 31, 2021

3.05 Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) as at March 31, 2021 INR Nil (Previous Year INR 37.79 crore).

3.06 Contingent Liabilities

Claims against the Group not acknowledged as debts in respect of the following items

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020
Income Tax Demands for various Assessment Years disputed by the Group *	63.99	63.99
Service Tax Demands disputed by the Group	66.24	66.24
Legal Cases - Shipping	8.15	8.15
Legal Cases - Dredging	46.84	46.84
Contractual claims	44.33	45.11
	229.55	**230.33**

* Against the above the Parent Company has already paid INR 59.34 crore (Previous Year INR 59.34 crore)

Guarantees:

Counter guarantee issued by Parent Company for guarantees obtained from bank (net of margin)	5.26	43.24

The Group expects the following reimbursements in respect of the above contingent liabilities from insurance companies and third parties.:

Legal Cases - Shipping	-	1.10
	-	-

(i) It is not practical for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums / authorities. The reduction in guarantees are mainly on account of restatement of foreign guarantees and closure of guarantees.

(ii) The Group's pending litigations comprise of claims pertaining to proceedings pending with Income Tax, Service Tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions were required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(iii) Income Tax Receivables and relative status of assessment / demands / refunds

Current Tax Assets (net) as on March 31, 2021 includes INR 69.19 crore which has not been settled due to ongoing tax assessment for the various Assessment Years from AY 2003-04 to AY 2015-16 against which net tax demand of INR 63.18 crore has been received and contested by the Company. The management is taking steps to resolve the cases with the income tax department.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

fined Benefit Liability/(Asset) reconciliation

₹ in Crore

Particulars	As at March 31, 2021		As at March 31, 2020	
Income Tax Assets / Receivable	124.00		140.20	
MAT Credit entitlement	2.44		2.44	
Total Income Tax Receivable		**126.44**		**142.64**
income Tax Liabilities / Provision		(71.61)		(67.06)
Income Tax Assets (Net)		**54.83**		**75.58**
Comprises of				
(a) Refund granted but deposited in protest against existing appeals at various forums	46.53		46.53	
(b) Unutilised MAT Credit	2.44		2.44	
(c) Refund claimed under scrutiny assessment	5.62		23.80	
(d) TDS of the current financial year	0.24		2.81	
Income Tax Assets (Net)		54.83	75.58	
(includes assets (net) - AY 2003-04 to AY 2015-16	69.19		69.19	
Contingent Liabilities (AY 2003-04 to AY 2015-16)		63.18	63.18	

3.07 Parent Company

A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Parent 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).

The Consolidated financial statements of the Parent Company for year ended March 31, 2021 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors chaired by the Resolution Professional (RP) held on June 23, 2021. The said Consolidated financial statements of the Parent Company have been prepared by the management of the Parent Company and certified by the Director and Chief Financial Officer of the Company. The RP has relied upon the assistance provided by the members of the Audit Committee in review of the financial results and certifications, representations and statements made by Director of the Parent Company in relation to these financial statements. As authorised, Director and Chief Financial Officer of the Parent Company have signed the financial statements and the RP has taken on record the said statement of financial statements only to the limited extent of discharging the powers of the Board of Directors of the Parent Company which has been conferred upon him in terms of provisions of Section 17 of the Code.

3.08 Disclosure of Going Concern Assumption

The financial statements of the Group have been prepared on a going concern basis by the management. The Group has incurred a net loss increasing its negative retained earnings as at March 31, 2021, wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net worth. The current liabilities substantially exceed the current assets and large sums of money are in dispute, which is not readily realisable. Further, the Parent Company has disposed-off the substantial part of the Property, Plant and Equipment (PPE). As on March 31, 2021 the Parent Company has only two non-operating dredgers at standalone level which have been arrested by operational creditors 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;

Notes to the Consolidated financial statements

for the year ended March 31, 2021

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

The management/RP of the Parent Company is of the view that they are making best efforts to achieve favourable order in ongoing litigations in order to protect the value of its assets and is making efforts to revive operations. As per rules and regulations of the Corporate Insolvency Resolution Process (CIRP) stipulated under the Insolvency and Bankruptcy Code, 2016, RP has invited Resolution Plans from the eligible Prospective Resolution Applicants (PRA). Further, the Parent Company believes that the claims receivable for INR 1,580 crore at the group level could, if realised, provides a reasonable sufficient opportunity for the repayment of loans from lenders and provide required resources for the development of business opportunities for the revival.

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

Under Ind AS 10 an entity shall not prepare its financial statements 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 Parent Company, 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 management has not prepared the financial statements on a going concern. However, in view of non-availability of liquidation values of assets and liabilities of such subsidiaries, the same are not stated at fair values.

3.09 (a) In case of a material step-down subsidiary, PT Karya Putra Borneo (KPB) - Operating Coal mines in Indonesia, a minority shareholder had raised a frivolous claim with respect to the entire shareholding of the said subsidiary Company. The subsidiary has received favourable orders from the relevant Courts in this matter and the formalities for restoring the shareholding in the public records is in process.

(b) Pursuant to the requirement of Listing Regulation, the Group has not appointed one of the Independent Director of Parent Company on the board of the material subsidiaries incorporated in India and Outside India. In case of PT Karya Putra Borneo, due to litigation and block of corporate profile, unless MoLHR allowed, such change of Constitutional Documents is not permitted.

3.10 The Parent Company has an insurance claim amounting to INR 54.28 crore, being the balance amount payable against a total loss claim (INR 225.29 crore) on a vessel pertaining to the year 2012-2013, which has been considered fully recoverable by the management and is supported by a legal opinion. The litigation is up for final hearing at National Commission, New Delhi and the matter was last listed for final hearing on May 17, 2021 but due to pandemic the case has adjourned to another date to be notified.

3.11 With respect to Mercator Oil and Gas Limited (MOGL), which is a material subsidiary of the Parent Company -

(a) was engaged in EPC project awarded by ONGC for conversion of their Mobile Offshore Drilling Unit (MODU) 'Sagar Samrat' into a Mobile Offshore Production Unit (MOPU). On September 25, 2018, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project after completing almost 96% of the project work. MOGL has since initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed. The proceedings are underway. In addition to above, based on the order of Hon'ble Bombay High Court

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dated July 29, 2019, ONGC had invoked Bank Guarantee amounting to INR 142.19 crore which had been accounted in the books of the accounts of MOGL in the quarter ended June 30, 2019. Based on the progress of the arbitration proceedings and discussion with the legal counsel, the management is hopeful of a positive outcome in the claim of INR 1,925 crore filed against ONGC.

In the view of the management and based on legal advice, a claim of INR 1,925 crore (USD 262 million) has been made by the subsidiary company on ONGC. In the view of the management and based on legal advice, an estimated amount of INR 1,274 crore (USD 173.36 million) could probably be awarded as payable to the Company. However, any impact of the settlement will be known only after completion of the ongoing arbitration proceedings.

Given the total claim made by MOGL, as stated above, the Parent Company is confident of realising the amounts carried as receivable in the Financial Statements of respective subsidiary.

(b) Further, one of the operational creditors has filed petition u/s 9 of IBC 2016 wherein the NCLT bench has kept the status as "Reserved for Order".

(c) In view of the management, based on the facts stated above, out of the total outstanding loan given to MOGL amounting to INR 92.78 crore, an amount of INR 35.70 crore has been impaired based on the assessment of the management and balance amount of INR 57.08 crore as on March 31, 2021 is considered as fully realisable by the management.

(d) MOGL has defaulted in paying Goods and Services Tax (GST) on bills issued to ONGC during the period 2018-19 which is aggregating to INR 2.12 crore and additionally GST liability for the month of July 2019 and March 2020 under Reverse Charge Mechanism for Legal Services availed, amounting to INR 0.22 crore which consists of CGST INR 0.11 crore and SGST INR 0.11 crore.

MOGL has defaulted for various statutory dues and as on 31 March 2021 the MOGL has outstanding TDS liability of INR 0.02 crore outstanding provided fund of INR 0.001 crore and outstanding professional tax INR 0.001 crore.

(e) Ministry of Corporate Affairs (MCA) has issued amendment in Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 effective from April 1, 2020 wherein new provision of appointment of Company Secretary has been inserted. In case of a wholly owned subsidiary "Mercator Oil and Gas Limited (MOGL)", a material subsidiary, is having loans or borrowing from Bank more than Rs 100 crore and is required to appoint Company Secretary as Key Managerial Personnel. Presently, the Company does not have any employees and until the date of reporting, no such appointment of Company Secretary being done.

(f) MOGL has an ongoing dispute with its consortium partner M/s Gulf Piping Co Ltd (GPC) and based on an order of the Abu Dhabi Court a final liability of USD 5.7Mn (Rs.43.05 crore) along with interest at 5% interest p.a. is payable to them. MOGL has filed a scheme of arrangement in NCLT for deferring payment of all creditors and has considered the same as a contingent liability.

3.12 With respect to Mercator Petroleum Limited (MPL), which is 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 has demanded costs and other dues to be determined as per terms and conditions of PSC. The management of MPL and the Company is confident of defending the amounts claimed by Directorate General of Hydrocarbon (DGH). In event of rejection of subsidiary's contention, estimated financial impact on MPL would be approx. INR 35.80 crore.

(b) The Board of Directors had approved strategic sale of participating interest in oil block CBONN 205/9 (CB 9) of MPL. The subsidiary company had executed Farm in Farm Out agreement dated December 26, 2019 with a prospective buyer at a sale price of Rs.252 crore. MPL had executed an amendment to the original Farm in Farm Out agreement dated December 26, 2019 for extension of the long stop date to October 31, 2020. The Company could not conclude the sale with the prospective buyer within the said extended long stop date on account of initiation of the Corporate Insolvency Resolution Process (CIRP) with effect from August 31, 2020.

(c) The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) was filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against one of the material subsidiary of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order who has taken charge under the directions of the Committee of Creditors Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. In terms of the update received from IRP, as a part of the Corporate Insolvency

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Resolution Process (CIRP), IRP had invited Resolution Plans from the eligible bidders. IRP had received a positive response and as part of the process, the Resolution Applicants have been carrying out the necessary due diligence.

3.13 In view of ongoing default in repayment of loans from Banks and Financial Institutions / Non Banking Finance Companies in September 2018 and onwards, as on March 31, 2020 the managerial remuneration paid to a promoter director was in excess of the prescribed limits, to the extent of INR 1.62 crore, as per Companies Amendment Act 2017 (effective from 12th September 2018). The excess pay out had been reversed and the same was recoverable from him as on March 31, 2020. In view of the expert opinion obtained by the Parent Company during the year, the Parent Company has adjusted entire amount recoverable against the payment made by the promoter director on behalf of the Company of INR 1 crore under the settlement agreement and amount of INR 0.62 crore towards other outstanding payables by the Parent Company towards reimbursements.

3.14 As per the Code, the RP shall receive, collate and admit all the claims submitted by the creditors of the Parent group Company. The RP of Parent company has admitted certain claims of the creditors and is in the process of collating and verifying remaining claims, and shall account for the verified claims against the Parent Company as per the provisions of IBC 2016. The impact of the admitted claims has been considered in the preparation of the standalone financial statements as on March 31, 2021. Pending admission of the remaining claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the aforesaid standalone financial statements as on March 31, 2021.

At the standalone level, Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on ICD dates (INR 920.49 crore). Total amount of claims towards principal dues of the financial creditors as on March 31, 2021 stand as under:

(a)	Principal amount of loans admitted by RP	INR 920.49 crore
(b)	Claims under verification by RP/ not filed	INR 22.43 crore
	Total	INR 942.92 crore

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

Finance cost amounting to INR 210.12 crore pertaining to Parent Company for the year ended March 31, 2021 includes INR 101.03 crore towards penal interest levied by lender(s) on loans recalled / event of default. Interest or any other charges has not been accrued in the books of accounts of Parent company from the date of commencement of CIR process, i.e. 8th February, 2021 onwards, on account of moratorium under section 14 of Code.

3.15 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 consolidated financial statements, at least eighty percent of each of the consolidated revenue, assets and profits, respectively, shall have been subject to audit or in case of unaudited results, subjected to limited review. The status of consolidation of financial statements of all subsidiaries of the Parent 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), as mentioned in clause 5 (v) (c) above, the financial statements of Mercator Petroleum Limited, one of the material subsidiary of the Parent Company for the year ended March 31, 2021 have neither been certified by the management and IRP nor have been audited and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available for the year ended March 31, 2021.

(b) The financial statements of Mercator Oil and Gas Limited, another material subsidiary of the Parent Company, have neither been certified by the management nor have been audited and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available with the Parent Company for the year ended March 31, 2021.

(c) The financial statements of Oorja Resources India Pvt. Ltd, Mercator Offshore Logistics Pvt. Ltd. and Offshore Transport Pvt. Ltd. have neither been certified by the management nor have been audited and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available with the Parent Company for the year ended March 31, 2021.

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(d) Financials Statements of all Singapore subsidiaries and step down subsidiaries except Mercator International Pte Ltd. (MIPL) and MCS Holdings Pte Ltd. (MCS) have neither been certified by the management nor have been audited and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available with the Parent Company for the year ended March 31, 2021.

(e) MCS Holdings Pte. Ltd. (under 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. The Financial Statements of MCS Holdings Pte Ltd. (MCS) have been certified by the management but have not been audited and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available with the Parent Company for the year ended March 31, 2021.

(f) Mercator International Pte. Ltd. (under Liquidation) a material subsidiary of the Parent Company at Singapore, currently under liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators of Mercator International Pte. Ltd. The Financial Statements of Mercator International Pte Ltd. (MIPL) have been certified by the management but have not been audited and the same have been considered for the purpose of preparation of Consolidated Financial Statements basis the financial information available with the Parent Company for the year ended March 31, 2021.

(g) Audited or management certified Financial Statements of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the year ended March 31, 2021 have not been provided to the Parent Company and hence their financial statements available for the 9 months period ended December 31, 2020 have been considered for the purpose of preparation of Consolidated Financial Statements for the year ended March 31, 2021.

As none of the audited Financial Statement of the Subsidiaries were available as on March 31, 2021, the Parent Company could not comply with the aforesaid regulations.

Management of Parent Company believes that the control on such entities still exist and financial statements of these entities need to be considered for consolidation as per IND AS 110- Consolidated Financial Statements. Accordingly Management of the Parent Company has prepared the consolidated financial statement including these financial statements.

3.16 All of the directors on the Board of Directors of the Parent Company are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.

3.17 The Group has not been able to obtain balance 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 Group has carried out its internal assessment and accordingly provided/ written off/ back certain receivables/ payables/ loans and advances.

3.18 Compliance under section 134 and 149 of Companies Act 2013:

(a) In case of MPL, Independent Director, Chief Financial Officer and Company secretary had resigned during the year ended March 31, 2020. The management has not filled the said vacancy until date of reporting.

(b) In case of MOGL, Independent Director had resigned during the year ended March 31, 2020. The management has filled the said vacancy. Mr. Jagmohan Talan and MINR Ritu Vats were appointed as Additional Directors (Non-Executive and 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.

3.19 During the year, the Parent Company and its promoter director have entered into settlement agreement by way of a Memorandum of Understanding (MoU), to settle the dues with a lender with a principal liability of INR 6 crore at an amount of INR 1 crore. As per the terms of the agreement executed on June 18, 2020, the same has been discharged by the promoter director of the Company, being the guarantor under the credit facility and the resultant gain of INR 5 crore arising on extinguishment of liabilities to the company has been accounted as 'Other Income' in the current year. The interest payable to the lender as on the date of execution of MoU amounting to INR 2.44 crore (including INR 1.90 crore as on March 31, 2020 which has been reversed and INR 0.54 crore pertaining to June 2020 which has not been accounted) has been reversed / forgone. The reversal has been included in "Other Income".

3.20 MT Nerissa (the Vessel) was operated in a pool arrangement with Seawolf (Heidmar Pool). There was a delay in discharge

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of cargo at the two discharge ports of Qingdao and Tianjin of PRC. The cargo could finally be discharged only in April 2019. The delay in discharge of cargo at both the discharge port could give rise to potential cargo claim from the ultimate receiver which will ultimately fall back through the Pool on the Company. The Company's agreement with Pool is subject to the Hague-Visby Rules or the Hague Rules or the Hamburg Rules. The Rule provides a period of one year from the date of discharge within which claims can be made. The claim will be time barred unless proceedings have been started within 12 months from the date of discharge. The Company had estimated the claim to be in the range of INR 9.88 crore (USD 1,308,412) and being conservative management had provided for the same in earlier year. However, vide a settlement agreement dated August 12, 2020 all the parties have settled the claim at USD 50,000 (INR 0.37 crore) and the same has been accounted as Other Income in the for the year ended March 31,2021

3.21 During the year ended March 31, 2019, Credit Analysis and Research Limited (CARE) had downgraded the rating assigned to the Parent 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).

3.22 One of the NBFC lender has invoked 2,55,00,000 No shares of promoters on July 2, 2020. The Group has consequently adjusted in its books the outstanding due in part amounting to INR 3.95 crore.

3.23 Promoters and Promoter Groups have sold 9,31,725 No. of shares in the year ended March 31, 2021. This has brought down the shareholding of the promoters in the Company to 10.83% as on March 31, 2021.

3.24 The Parent Company had entered into settlement agreements with approval of NCLT with few operational creditors amounting to INR 3.94 crore which were to settled to the tune of INR 1.57 crore. However, the balance commitment is yet to be discharged by the Parent Company.

3.25 One of the financial lenders of the Wholly Owned Foreign Subsidiary had 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. The said subsidiary is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators.

3.26 During the year ended March 31, 2021, the management of respective companies have placed companies under voluntary liquidation and appointed liquidator under applicable laws as under –

(a) Mercator Energy Pte Ltd (the company is a plaintiff for case filed by ICICI bank Limited at Singapore being guarantor and company has informed to court for its voluntary liquidation. Final observation of High Court of Singapore on the same is pending).

(b) Mercator Offshore (P) Pte Ltd (company has also withdrawn scheme of arrangement filed for payment of creditors linked with contingency outcome of SSCP arbitration)

(c) Mercator Offshore Asset Holdings Pte Ltd

(d) Marvel Value International Limited, British Virgin Island.

3.27 During the year, the Parent 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.

As on March 31, 2021, there were 5 directors on the Board of Company including a woman director, which has been intimated to NSE as well. 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.

Changes in directors' during the year:

(a) Ms.Ameeta Trehan, an Independent Woman Director on the Board of Directors of the Company, has resigned with effect from September 1, 2020, citing personal reasons. Thereafter, Mr.Chetan Desai, Mr. M Agrawal and Mr. Anil Khanna, Non Executive Independent Directors of the Company resigned with effect from September 25, 2020, September 29, 2020 and October 1, 2020 respectively citing personal reasons.

(b) Mr. Jagmohan Talan, Mrs.Ritu Vats and Mr.Sukhdarshan Singh Bedi were appointed as Additional Directors (Non Executive and Independent) of the Company with effect from September 23, 2020 for a tenure of 5 years However, Mrs. Ritu Vats vide email dated June 19, 2021 and Mr. Jagmohan Talan vide email dated June 21, 2021, has tendered their resignation as Independent Directors of the Company with effect from June 19, 2021 and June 21, 2021 respectively citing personal reasons.

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

However, since the Parent Company is currently undergoing the Corporate Insolvency Resolution Process and in view of RP, the acceptance of the resignations tendered by the directors and CEO is subject to the relevant provisions of the Insolvency and Bankruptcy Code, 2016.

3.28 Related Party Disclosures:

(Compiled basis the information available with the management)

A List of Related Parties

I Key Management Personnel

A Parent Company

1 Mr. H.K Mittal - Executive Chairman
2 Mr. Shalabh Mittal - Chief Executive Officer - Mr Shalabh Mittal tendered his resignation via email dated June 21, 2021 as Chief Executive Officer and Key Managerial Personnel of the Company with effect from June 21, 2021 citing personal reasons. However, the Company is currently undergoing the Corporate Insolvency Resolution Process and the acceptance of the resignations tendered is subject to the relevant provisions of the Insolvency and Bankruptcy Code, 2016
3 Mr. Rajendra Kothari - Chief Financial Officer
4 Mr. Gurpreet Malhi - Chief Operating Officer (upto. December 31, 2020)

B Subsidiary Companies

1 Mr. Adip Mittal
2 Ms. Shruti Mittal
3 Mr. Santosh Kadam
4 Mr. Bantwal Subraya Prabhu
5 Mr. Bharat Kumar Jain
6 Mr. Radhey Shyam Bansal
7 Mr. Sagar Vats
8 Mr. Vinay Kumar Malik
9 Mr. Jaikishan Naraindas Dodani
10 Mr. Kennedy Prakash Nanik

II Enterprises over which Key Management Personnel exercise significant control

1 Ankur Fertilizers Private Limited
2 AHM Investments Private Limited
3 MHL Healthcare Limited
4 Prem Punita Foundation (India)- Charitable Trust
5 HK Sons Realtors Private Limited
6 Premputli Realtors Private Limited
7 Sisouli Realtors Private Limited
8 Vaitarna Marine Infrastructure Limited
9 Rishi Holding Private Limited
10 Urban Pod Private Limited
11 Whosejewellery Marketplace Portal LLP
12 Oilmax Energy Private Limited
13 Vector Shipping Services Private Limited
14 Target Ship Management India Private Limited
15 Indian National Shipowner Association
16 Mac Maritime Training and Research Institute
17 Harish Mittal Family Trust
18 Adip Mittal Family Trust

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B. Details of transactions with the related parties

₹ in Crore

Name of the Transaction*	Key Management Personnel (KMP)		Enterprises over which Key Management Personnel exercise significant control		Toktal	
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
Services Received						
Vaitarna Marine Infrastructure Limited	-	-	-	0.30	-	0.30
Ankur Fertilizers Private Limited	-	-	-	0.12	-	0.12
Total	**-**	**-**	**-**	**0.42**	**-**	**0.42**
Expenses/liability incurred repaid/ incurred on company behalf						
Vaitarna Marine Infrastructure Limited	-	-	-	0.01	-	0.01
Mr. H.K Mittal	0.56	-	-	-	0.56	-
Total	**0.56**	**-**	**-**	**0.01**	**0.56**	**0.01**
Expenses incurred repaid						
Vaitarna Marine Infrastructure Limited	-	-	-	0.34	-	0.34
Total	**-**	**-**	**-**	**0.34**	**-**	**0.34**
Shares pledged for loan against shares						
Mr. H.K Mittal	0.23	0.75	-	-	0.23	0.75
Mrs. Archana Mittal	-	0.59	-	-	-	0.59
AHM Investments Private Limited	-	-	0.72	0.85	0.72	0.85
Total	**0.23**	**1.34**	**0.72**	**0.85**	**0.95**	**2.19**
Invocation of pledged shares of Promoters						
Mr H K Mittal	1.72	6.60	-	-	1.72	6.60
Mrs Archana Mittal	1.04	1.95	-	-	1.04	1.95
AHM Investments Private Limited	-	-	1.19	-	1.19	-
Total	**2.76**	**8.55**	**1.19**	**-**	**3.95**	**8.55**
Remuneration paid to key Management Personnel #						
Mr Shalabh Mittal	-	0.97	-	-	-	0.97
Mr Rajendra Kothari	0.63	0.62	-	-	0.63	0.62
Ms Sangeeta Pednekar	-	0.06	-	-	-	0.06
Mr Gurpreet Malhi	1.09	1.30	-	-	1.09	1.30
Mr H K Mittal @	-	0.00	-	-	-	0.00
Mr Aditya Desai	-	0.14	-	-	-	0.14
Mr Adip Mittal	-	0.40	-	-	-	0.40
Ms Parul Harlalka	-	0.01	-	-	-	0.01
Total	**1.72**	**3.50**	**-**	**-**	**1.72**	**3.50**
Outstanding Balances as on March 31, 2021						
Loan from Director						
Mr.H.K.Mittal	13.19	11.47	-	-	13.19	11.47
Mrs. Archana Mittal (resigned dated July 3, 2019) 2.99	1.95			2.99	1.95	
Total	**16.18**	**13.42**	**-**	**-**	**16.18**	**13.42**
Personal Guarantee given by Key Managerial Personnel						
Mr H K Mittal	192.58	192.58	-	-	192.58	192.58
Mrs Archana Mittal	16.50	16.50	-	-	16.50	16.50
AHM Investment Private Limited	-	-	16.50	16.50	16.50	16.50
Mr Shalabh Mittal	100.00	126.45	-	-	100.00	126.45
Total	**309.08**	**335.53**	**16.50**	**16.50**	**325.58**	**352.03**

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₹ in Crore

Name of the Transaction*	Key Management Personnel (KMP)		Enterprises over which Key Management Personnel exercise significant control		Toktal	
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
Capital Advances						
Vaitarna Marine Infrastructure Limited	-	-	14.32	14.32	14.32	14.32
Total	**-**	**-**	**14.32**	**14.32**	**14.32**	**14.32**
Managerial Remuneration Recoverable from Director						
Mr. H.K Mittal	-	1.62	-	-	-	1.62
Total	**-**	**1.62**	**-**	**-**	**-**	**1.62**
C. Compensation of key management personnel of the company						
Short Term employee benefits					1.72	3.50
Total compensation of key management personnel					**1.72**	**3.50**

Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Ind AS financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

@ The amount reported is net of the amount reflected as amount to be recovered, since paid in excess to the limits applicable u/s 197 of the Companies Act 2013. Refer Note 3.13

*Due to non availability of relevant information from the subsidiaries, related party disclosures have been prepared based on limited facts available and may not depict correct facts for certain reporting done.

Figures stated above are gross outstanding and provision of impairment wherever provided in financials have not been considered while reporting related party transaction.

C) Sitting Fees Paid to Non-Executive Directors

₹ in Crore

	Current Financial Year	Current Financial Year
Director Sitting Fees	0.12	0.27

3.29 Disclosure as per Ind AS 17 "Leases":

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 INR 0.34 crore to retained earnings, on the date of initial application.

(A) Operating lease (as Lessee):

₹ in Crore

Disclosures in respect of cancellable agreements for office premises taken on lease Operating Leases	As at March 31, 2021	As at March 31, 2020
Disclosures in respect of cancellable agreements for office premises taken on lease	-	-
(i) Lease payments recognized in the Statement of Profit and Loss	-	2.19
(ii) Significant leasing arrangements		
The Group has given refundable interest free security deposits under the agreements, against the premises already vacated	1.08	1.08
The lease agreements are up to 4 to 36 months. These agreements also provided for periodical increase in rent.	-	-
(iii) Future minimum lease payments under non-cancellable agreements	-	-
Not later than one year	NIL	NIL
Later than one year and not later than five years	NIL	NIL
Later than five years	NIL	NIL

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(B) Operating lease (as Lessor):

₹ in Crore

	Disclosures in respect of cancellable agreements for office given on lease	As at March 31, 2021	As at March 31, 2020
(a)	Operating Leases		
	Disclosures in respect of cancellable agreements for office given on lease		
(i)	Lease receipt recognized in the Statement of Profit and Loss	-	0.19
(ii)	Future minimum lease receivable under non-cancellable agreements		
	Not later than one year	-	-
	Later than one year and not later than five years	-	-
	Later than five years	-	-

3.30 The Group has recognized exceptional items in the previous years as follows :

(i) Mercator Oil and Gas Limited ('MOGL'), a material subsidiary of the Company is 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 as per the contract and simultaneously proceeded to encash the bank guarantees. MOGL has since then initiated arbitration proceedings against ONGC considering this an illegal termination given against 96% of the project was completed. During the Previous year, by the virtue of an order of Hon'ble Bombay High Court dated July 29, 2019 ONGC had invoked Bank Guarantee amounting to INR 106.99 crore the same had been disclosed as an Exceptional Item after netting off the advance received from ONGC.

(ii) Mercator Petroleum Limited ('MPL'), a material Subsidiary Company has entered into an agreement for the sale of its Oil Block.The Subsidiary had recognized the loss of Non Current assets held for sale as Exceptional Item of INR 47.20 crore after netting of the Intercompany cost which had been capitalized in the said Oil blocks since inception.

3.31 Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Information related to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Group:

₹ in Crore

		As at March 31, 2021	As at March 31, 2020
(i)	Principal amount outstanding	0.35	0.35
(ii)	Interest on Principal amount due #	0.26	0.19
(iii)	Interest and Principal amount paid beyond appointment day	Nil	Nil
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specific ed under MSME Development Act	Nil	Nil
(v)	The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act.	0.26	0.19

The Interest due has been computed basis the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, wherein it has been stated that if the buyer fails to pay MSME registered supplier within agreed timelines (if not agreed than 45 days), then buyer shall be liable to pay compounded interest with monthly rests to the supplier on that amount from the appointed date or as the case may be from the date immediately following the date agreed upon, at three times of the Bank rate notified by the Reserve Bank of India. The rate considered for above calculation is Current year 13.00% (Previous Year 14.25%) per annum. This has not been accounted in the books of accounts.

3.32 Tonnage Tax Reserve

In terms of section 115VT of the Income Tax Act, 1961, with respect to the shipping activities of the group in India, it is required to transfer a minimum of 20% of book profits from the tonnage tax activities in tonnage tax reserve which are to be utilised for acquiring new ships within 8 years of such transfer. The Group has transferred INR Nil (Previous Year INR Nil) to Tonnage Tax Reserve as parent company has incurred a book loss (on standalone basis) of INR 203.77 crore (Previous year INR 1,025.32 crore)

Notes to the Consolidated financial statements

for the year ended March 31, 2021

3.33 Income Tax expense

(A) Tax Expenses recognized in the statement of Profit and Loss

₹ in Crore

Particulars	Current Financial Year	Previous Financial Year
Profit / (Loss) before Tax	(304.09)	(901.40)
Income Tax Expenses as respective jurisdiction corporate tax rate	**(86.22)**	**(22.58)**
Reconciliation Items / fiscal corrections		
Income not subject to tax	-	(0.03)
Difference in books and tax depreciation	-	0.09
Gain attributable to tonnage tax activity	-	0.39
Non Qualifying Income and Expense under Tonnage Tax		0.06
Others - Income not pertaining to Indian Tax Jurisdiction	92.45	33.20
Other earlier year adjustments	9.35	(0.08)
Total Reconciliation Items	**101.80**	**33.63**
Income Tax and Deferred Tax Expenses	**15.58**	**11.05**
Effective Tax Rate	**Please refer Note Below**	

(i) Effective tax rate for shipping segment is not applicable as the Company is paying tax under tonnage tax provision under section 115V of Income Tax Act 1961. Other tax of earlier years represent write of off withholding tax for which credit is not available or taken in respective financial year.

In the view of the Management of the Parent Company, since there was no business operations during the year, hence no tonnage tax is required to be computed or provided in the books of accounts

(ii) Effective tax rate for coal business is 25% as per local prevailing tax laws in Indonesia

(ii) Other business segments have effective tax rates of 26% in India and 17% in Singapore but do not have any taxable profit.

(B) Deferred Tax as per Ind AS 12 "Income Taxes "

(i) Deferred tax liability (net) included in the balance sheet comprises of the following:

₹ in Crore

Particulars	As at March 31,2020	Credit/(charge) in Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive income/ Reclassification	As at March 31,2021
Deferred tax (assets)/liabilities				
Unabsorbed Depreciation	(0.40)	-	0.03	(0.37)
Provision for post retirement benefits	(1.09)	-	-	(1.09)
Foreign source Income yet to be remitted/others	(0.00)	-	-	(0.00)
Total	**(1.49)**	**-**	**0.03**	**(1.46)**

₹ in Crore

Particulars	As at March 31,2019	Credit/(charge) in Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive income/ Reclassification	As at March 31,2020
Deferred tax (assets)/liabilities				
Unabsorbed Depreciation	(0.31)	(0.09)	-	(0.40)
Provision for post retirement benefits	(0.99)	(0.04)	(0.06)	(1.09)
Foreign source Income yet to be remitted/others	(0.00)	-	-	(0.00)
Total	**(1.30)**	**(0.13)**	**(0.06)**	**(1.49)**

Notes to the Consolidated financial statements

for the year ended March 31, 2021

3.34 Corporate Social Responsibility (CSR)

Gross amount required to be spent by the Indian entities of the Group as per section 135 of the Companies Act 2013, during the year Rs Nil (Previous Year Rs Nil).

3.35 Discontinuation of Business on sale of Vessel – (Cash Generating Unit Asset Sale)

(a) On December 17, 2018 the members signed a resolution approving the sale of the vessel "Nerissa" held under Property, Plant and Equipment which is the only Cash Generating Unit (CGU) of the Company. As at March 31, 2019 the asset was classified in the Balance Sheet as "Property, Plant and Equipment held for sale" and the results of the operations were presented in the Statement of Profit or Loss separately as "Loss from discontinued operations, net of tax"". Subsequently a Memorandum of Agreement was signed on April 8, 2019 with a buyer agreeing to gross sale price of Rs 197.14 crore (USD 28.50 Mn) and the disposal was completed on April 25, 2019.

(b) The Net Realizable Value (NRV) being less than the carrying value of the Vessel, Impairment loss has been recognized in the Statement of Profit or Loss and Other Comprehensive Income.

(c) During the previous year ended March 31, 2020, an overseas subsidiary passed a resolution approving the sale of VLCC vessel "Nerissa" held under Property, Plant and Equipment which is the only Cash Generating Unit (CGU) of the said subsidiary. Subsequently a Memorandum of Agreement (MOA) was signed with a buyer agreeing to sale price of USD 27.50 Mn (Net). Accordingly, the subsidiary had accounted for Impairment loss of INR 286.92 crore on classification of the said asset as "Non-Current Asset held for sale" in previous year. The said impairment loss is included under "Net profit/(loss) before tax from discontinued operation" in the earlier year.

The Company has presented the financial statements of the said subsidiary as discontinued operation in accordance with IND AS -105 "Non-current Assets Held for Sale and Discontinued Operations".

₹ in Crore

Balance Sheet Disclosure	As at March 31, 2021	As at March 31, 2020
Property, Plant and Equipment	-	-
Trade Receivables	-	9.87
Cash and Cash Equivalent	0.08	0.01
Non Current Asset held for sale	-	-
Other Current Assets	-	-
Total Assets of discontinued operation	**0.08**	**9.88**
Borrowings	-	-
Trade Payable	0.16	0.34
other current liabilities	-	9.86
	-	-
Total Liabilities of discontinued operation	**0.16**	**10.20**

Statement of Profit or loss disclosure

The results of the discontinued operations for the year ended March 31, 2021 are as follows:

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue	**-**	**-**
Total Income	**-**	**-**
Expenses		
Crew expenses	-	(0.72)
Insurance	-	(0.22)
Bank charges	-	(0.01)
Other operating expenses	-	(1.98)
Total Expenses	**-**	**(2.93)**
(Loss) before tax	**-**	**(2.93)**
Tax expense	**-**	**-**
(Loss) from discontinued operations, net of tax	-	(2.93)
Cash Flow (Used) from -		
(a) from operating activities	0.43	(8.29)
(a) from investing activities	-	202.36
(a) from financing activities	(0.36)	(194.11)

Notes to the Consolidated financial statements

for the year ended March 31, 2021

3.36 Financial Risk Management Objectives and Policies

The Group financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Risk Management committee

The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and Loans and borrowings.

The Group manages market risk through Risk Management committee, which evaluates and exercises independent control over the entire process of market risk management. The committee recommends risk management objectives and policies, which are approved by Risk Management and Board.

Risk management framework

The Group's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operations and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation. Corporate Insolvency Resolution Process (CIRP) has been initiated in case of the Parent Company and three of its subsidiaries under the Provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Parent Company stand vested with the Resolution Professional (RP) appointed by the NCLT. The framework and the strategies for effective management will be established post implementation of Resolution Plan. Presently, the financial management activities are restricted to management of current assets and liabilities of the Group and the day to day cashflow and its associated risks are as under:

a. Market Risk

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in interest rates.

There have been many delays and defaults during the year in payment of Interest and instalment dues. Given the fact, the Parent Company is under moratorium under CIRP, any outcome will depend on the resolution, if and when, achieved under the process.

Mercator Petroleum Limited., a material subsidiaries of the Company in India is under CIR process and Mercator International Pte. Ltd. and MCS Holdings Pte Ltd. being overseas subsidiaries of the Company are under liquidation which is in process.

Exposure to Interest rate risk

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Total Borrowings (including redemption premium amounting to INR 21.12 crore as on March 31, 2021 (Previous Year INR 13.27 crore) for the Parent Company)	1,626.99	1,614.79
% of Borrowings out of above bearing variable rate of Interest	77.78%	82.31%

The Group is exposed to interest rate risk as it borrow funds at floating interest rates. The interest rate risk is managed by monitoring the Group's level of borrowings periodically and structuring its borrowings on varying maturities and interest rate terms.

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the entire year.

A 50 basis point increase or decrease is used when reporting interest rate risk and represents management's assessment of the reasonably possible change in interest rates.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended March 31, 2021 would increase/decrease by INR 5.85 crore (previous year INR 6.65 crore). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The RP of Parent Company has crystallised and admitted the claims in INR on February 07, 2021, accordingly there is no further exposure for interest risk in case of borrowings of the Parent Company.

ii) Maritime Risk

The operations of the Company may be exposed to piracy, war, sabotage and terrorism risk at sea which could potentially disrupt the operations of the Company, if and when it commences. Also, the Company's vessels are susceptible to arrests by maritime claimants (which are already under arrest) which could result in significant loss for the Company. In times of emergency or wars, the Government could demand the Company's vessels without adequate compensation. The Company is having exposure of various specific compliance of renewal of non-operational vessels, payment of provident funds, TDS in relation to crew members etc which are pending on account of liquidity crisis. The Company has disclosed all such liabilities due and payable. Considering past events including the fact that one of the vessel of the company was sunk, company is at an exposure of damage of sea environment and there is a possibility of liability under applicable provision of Environment Laws.

iii) Business Risk

i) Risk relating to Exploration, Development and production.

The Group has two oil blocks in the Cambay Basin and in one of them we have announced discovery of superior quality oil with oil flowing to surface at the time of testing of Wells. While the oil price has been volatile in the past, Brent Crude appears to have been stabilized between US$ 50 to US$ 60 per barrel over last year. Even otherwise, in subsidiary's context, the risk of fluctuations in Oil Price is contained since the quality of Oil discovered in subsidiary's blocks (light and sweet crude - 410 API) is better than that of Brent Crude (Brent Crude being 380 API) and therefore enjoys premium over Brent.

Project Specific Risk:

The Group has discontinued drilling wells and exploration in CB-3 oil blocks and also not relinquishes their right on the same. This has resulted into termination and contingent liability on pending completion of minimum work program as determined by MoPNG. In addition to that for CB-9, the Group requires to continue drilling wells and identify new oil discoveries. The Group also needs operational and financial support for development of existing Jyoti-1 and Jyoti-2 oils wells, several clearances from government department requires and other procedural formalities to be completed as per Production Sharing Contract. The Group is passing through financial stress and litigation with vendors which was delaying project off take. The Board of Directors has approved strategic sale of participating interest in oil block CB-ONN-205/9 (CB-9) of MPL. The subsidiary company has executed Farm in Farm Out agreement dated December 26, 2019 with a prospective buyer at a sale price of INR 252 crore. MPL has executed an amendment to the original Farm in Farm Out agreement dated December 26, 2019 for extension of the long stop date to October 31, 2020. The Company is hopeful of concluding the sale within the further extended timelines, if and whenever agreed with the prospective buyer.

The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against one of the material subsidiary of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order who has taken charge under the directions of the Committee of Creditors. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. In terms of the update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had invited Resolution Plans from the eligible bidders. IRP had received a positive response. As part of the process, the Resolution Applicants have been carrying out the necessary due diligence.

Project Specific Risk - Construction Contract

Mercator Oil and Gas Limited ('MOGL'), an Indian subsidiary of the Company was engaged in EPC project awarded by ONGC named 'Sagar Samrat Conversion Project' (SSCP). On September 25, 2018, MOGL received a notice of termination from ONGC and it simultaneously proceeded to encash the bank guarantees, as explained in detail in Note No. 3.12

Notes to the Consolidated financial statements

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In view of the above dispute, the Project risk is presently very high. The subsidiary has initiated arbitration proceedings against illegal termination of contract by ONGC and its other rights and claims under the contract. The proceedings are underway. In addition to above, based on the order of Hon'ble Bombay High Court dated July 29, 2019, ONGC had invoked Bank Guarantee amounting to Rs.142.19 crore which had been accounted in the books of the accounts of MOGL in the quarter ended June 30, 2019. Based on the progress of the arbitration proceedings and discussion with the legal counsel, the management is hopeful of a positive outcome in the claim of INR 1,925 crores filed against ONGC.

Equity price sensitivity analysis:

During the year, the share price of the Parent company has sharply fallen and pursuant to that several financial creditors who has given loan against shares have sold pledged shares of promoters in market at various prices. This has further impacted on volatility and columns in market and reduced prices. During the year, the Parent Company has faced few block deals on stock exchanges for offloading of shares. There is a change of capital structure for holding of promoters as well as holding of Foreign Institutional Investors (FII).

iv) Foreign currency risk

Foreign currency risk mainly arises from transactions undertaken by an operating unit denominated in currencies other than its functional currency. Exposure to foreign currency risk is mitigated by natural hedges of matching revenues and costs.

Since, a significant amount of revenue and exposures are denominated in US dollars, there is a translation risk as the Group has to report its financial performance in INR. The carrying amounts of the Group's financial assets and financial liabilities denominated in foreign currencies at the reporting date in INR are as follows:

₹ in Crore

Details / Currency	As at	
	March 31, 2021	March 31, 2020
Trade Receivables		
- USD	3.80	3.89
Cash and Cash equivalents		
- USD	0.00	0.00
Other Financial Assets		
- USD	-	4.02
Borrowings		
- USD	58.80	506.47
Trade Payables		
- USD	54.90	44.63
Other Financial Liabilities		
- USD	7.51	71.11
- SGD	-	0.13
- AED	-	0.08
- Euro	-	0.02
- JPY	-	0.01
- Others	0.14	0.14

*Borrowings includes USD Loan of INR NIL (Previous year INR 109.37 crore) where exchange fluctuation impact on Revaluation amounting to INR NIL (Previous Year INR 5.47 crore) are capitalized as per IND–AS 101 to the Cost of Vessel. During the current financial year, considering the fact that the majority of vessels are sold or impaired, no such accounting adjustment has been carried in the carrying balances.

Notes to the Consolidated financial statements

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Sensitivity Analysis:

A 5% strengthening / weakening of Indian Rupee against key currencies to which the Group is exposed (net of hedge, if any), with all other variables being held constant, would have led to approximately a gain / loss of INR 5.88 crore (Previous Year : INR 30.73 crore).

As stated in note 3.14, the RP of Parent Company has crystallised and admitted the claims in INR on February 07, 2021, accordingly there is no further exposure for currency risk in case of borrowings of Parent Company.

b. Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Financial assets are written off when where there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. When such recoveries are made, these are then recognized as income in the statement of profit and loss.

The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates.

Ageing of Accounts Receivables

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 180 days	0.00	18.96
More than 180 days	136.71	81.59

Financial assets are considered to be of good quality and there is no significant increase in credit risk

c. Liquidity Risk

Liquidity risk is the financial risk that is encountered due to uncertainty resulting in difficulty in meeting its obligations and deployment of assets for its economic use. An entity is exposed to liquidity risk if market on which it depends are subject to loss of liquidity for any reason; intrinsic to its business operations, availability of contractual obligation, affecting its credit rating, positive outcome of existing litigations filed by subsidiaries and realisation of their assets, or unexpected cash outflows. Prudence requires liquidity risk to be managed in addition to market, credit and other risks as it has tendency to compound other risks. It entails management of asset, liabilities focused on a medium to long-term perspective and future net cash flows on a day-by-day basis in order to assess liquidity risk.

The Parent Company is under Corporate Insolvency Resolution Process (CIRP). The Group depends upon operational deployment of its vessels and timely receipt thereto as well as vendor payments (including settlement and litigations) can severely impact the current level of operation. Liquidity crises had led to default in repayment of principal and interest to lenders. Other Group Companies are also under financial stress or under liquidation / insolvency proceedings. Given the fact, the Parent Company is under moratorium under CIRP, any outcome will depend on the resolution, if and when, achieved under the process.

Mercator Petroleum Limited, a material subsidiaries of the Company in India is under CIR process and Mercator International Pte. Ltd. and MCS Holdings Pte Ltd. being overseas subsidiaries of the Company are under liquidation which is in process.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Group can be required to pay:

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Maturity Analysis of Significant Financial Liabilities

₹ in Crore

As at March 31, 2021	Contractual Cash Flows				
	Total	Up to 1 year	1-3 years	3-5 years	More than 5 years
Financial Instruments					
Borrowings	1,626.99	1,626.99	-	-	-
Trade Payables	148.48	148.48	-	-	-
Other financial liabilities	596.91	596.88	0.03	-	-
	2,372.38	**2,372.35**	**0.03**	**-**	**-**

As at March 31, 2020	Contractual Cash Flows				
	Total	Up to 1 year	1-3 years	3-5 years	More than 5 years
Financial Instruments					
Borrowings	1,614.79	1,614.79	-	-	-
Trade Payables	185.98	185.98	-	-	-
Other financial liabilities	369.60	369.60	-	-	-
	2,170.37	**2,170.37**	**-**	**-**	**-**

(d) Legal Risk

In view of the financial position and corresponding various payment defaults, the Group is exposed to a large number of litigation risks. The Group has also filed several cases or counter claims directly or through its subsidiaries where significant amount is involved in litigation or may be recovered upon settlement. The various litigations are in process which have been covered in notes of the consolidated financial statement and in the view of the uncertainties involved it is not possible to estimate the possible impact of the same on the Financial Statements.

3.37 Capital Management

For the purpose of Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. However, the entire networth of the Parent Company is fully eroded and the Parent Company is under CIRP any outcome will depend on the resolution, if and when, achieved under the process.

The debt equity for the year is as under:

₹ in Crore

	As at	
	March 31, 2021	March 31, 2020
Borrowings (INR in crore) - (A)	1,626.99	1,614.79
Total Equity (INR in crore) - (B)	(1,252.42)	(954.06)
Debt Equity Ratio (A/B)	(1.30)	(1.69)

3.38 The Group does not have any long term contracts including derivative contracts as at March 31, 2021 wherein the Group is required to make provision towards any foreseeable losses.

3.39 During the previous year, the Group had conducted a specific detailed evaluation of its receivables and payables and had provided for old overdue receivables and advances given, which amount to INR 37.59 crore in "Other Expenses". The Group had also written back INR 10.15 crore (Previous Year INR 4.76 crore) which primarily included the liability written back on account excess provision of earlier year, in "Other Income".

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for the year ended March 31, 2021

3.40 Fair value measurements

Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 1.26 to the financial statements.

(a) The carrying value of financial instruments (excluding impairment provision) by categories is as follows -

₹ in Crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Financial assets:		
Measured at amortised cost		
Cash and cash equivalents	26.81	31.49
Bank balances other than Cash and cash equivalents	5.22	0.68
Loans	28.22	19.43
Trade receivables	136.71	100.55
Other Financial assets	268.81	263.99
Investment (Non current Assets)	0.00	0.00
At fair value through profit and loss		
Investment in Mutual Funds	61.04	86.03
Total	**526.81**	**502.17**
Financial liabilities:		
Measured at amortised cost		
Borrowings	1,626.99	1,614.79
Other financial liabilities	596.91	369.60
Trade and other payables	148.48	185.98
Total	**2,372.38**	**2,170.37**

Carrying amounts of trade receivables, cash and cash equivalents and trade payables as at March 31, 2021 and March 31, 2020 approximates the fair values because of their short term nature. Difference between carrying amounts and fair values of other bank balances, borrowings, and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented. Given the fact, the Parent Company is under CIRP, the fair value will depend on the resolution, if and when, achieved under the process.

(b) Fair Value Hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from

observable current market transactions in the same instrument nor are they based on available market data.

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₹ in Crore

At March 31, 2021	Level 1	Level 2	Level 3	Total
Financial instruments at fair value through profit or loss				
Investments in mutual fund/ units	-	-	61.04	61.04
Derivative financial liabilities	-	-	-	-
Total	**-**	**-**	**61.04**	**61.04**

₹ in Crore

At March 31, 2020	Level 1	Level 2	Level 3	Total
Financial instruments at fair value through profit or loss				
Investments in mutual fund/ units	-	-	86.03	86.03
Derivative financial liabilities	-	-	-	-
Total	**-**	**-**	**86.03**	**86.03**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a) The fair value of loans from banks and other financial indebtedness as well as other non current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.

b) Derivative instruments have been fair valued on the reporting date on the basis of quotes provided by the third party qualified valuer / market participants.

However, none of the financial assets and liabilities have been fair valued during the current year and previous year. none of the financial assets and liabilities have been fair valued during the current year and previous year.

3.41 One's Forte Co. Ltd of Japan had filed a suit for arrest of Vedika Prem in Gujarat on 6th October, 2016 for its claim of INR 0.40 crore being claim for necessities supplied to vessel and outstanding under invoices. The Company had settled the claim for outstanding invoices and issued Demand draft no. 501907 dated October 10, 2016 for INR 0.41 crore. Having come to notice that One's Forte Co. Ltd. had filed caveat against release, the Company has submitted another DD for INR 0.92 crore in favour of plaintiff for settlement of caveat amount. For the balance amount of INR 0.51 crore the Company had disputed its liability to pay such amount to the plaintiff as these were Mercator Lines Singapore (MLS) dues but in order to ensure release and sail of vessel, the Company deposited INR 0.51 crore by way of Demand Draft in favour of "Registrar High Court of Gujarat" pursuant to which Vedika Prem was released by order dated October 10, 2016. One's Forte Co. Ltd. had filed new suit for recovery of disputed amount INR 0.51 crore being the suit no.41 of 2016. The Company had also filed written statement on April 18, 2018. Thereafter, the parties had agreed to settle the matter for USD 30,000 (i.e. INR 0.21 crore) to be paid out of security amount to Ones Forte and remaining amount was to be returned to the Company. Accordingly, the Settlement Agreement was signed on January 9, 2020 by the Company but One Forte Co. Ltd. backed out of signing the said Settlement Agreement.

Subsequently, the Parent Company has also received Debt Forgiveness Notice on December 28, 2020 from One's Forte Co. Ltd. Now, the Parent Company is in the process of making an application to the Gujarat High Court for release of security deposit amount of INR 0.51 crore plus accrued interest thereon. The Parent Company had passed a circular resolution on February 2, 2021 for the signing of an application to be made to Gujarat High Court for release of security deposit amount of INR 0.51 crore with respect to Admiralty Suit No. 41 of 2016 filed against the Parent Company by One's Forte Co. Ltd.

3.42 Compliance of Section 134 and 149 of the companies Act, 2013

These consolidated financial statements have not been authenticated by the company secretary as mandated u/s 134 of The companies Act,2013 (as amended), owing to the resignation w.e.f July 23,2019. The said vacancy is yet to be filled in.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

During the year, Company secretary and Chief financial officer has resigned of MPL (subsidiary company), Until date of reporting, MPL has not found and appoint suitable replacement.

Additionally, one of the Directors of MPL and MOGL has put up his resignation and hence there is no quorum for conduct of operation of MPL and MOGL.The management has not yet evaluated option of application to ROC approval for waiver of minimum requirement of directors.

3.43 Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements except otherwise stated in above notes wherever applicable depends on its ability to determine material financial impact and appropriateness.

3.44 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 wo spaces etc. The extent and duration of COVID.19 is currently unknown and depends on future developments that are uncertain. Any resultant outcome and impact on business, due to this is unpredictable. In assessing the recoverability of Company's assets such as Investment, Loans and other receivables, the management has used internal and external source of information up to the date of approval of these financial results. Given the uncertainties, the impact of COVID.19 may be different from that estimated as at the date of approval of these financial results, and the Company will continue to closely monitor the developments.

3.45 Previous year's figures have been regrouped / restated wherever necessary to conform to current year's classification.

As per our report of even date
For Singhi & Co.
Chartered Accountants
Firm registration No: 302049E

S. Chandrasekhar
Partner
Membership No : 007592
Place: Mumbai
Date: June 23, 2021

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Rajendra Kothari
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: June 23, 2021

Form AOC-1

Statement containing salient features of the Financial Statement of Subsidiary Companies/Associate Companies/Joint Ventures
(Pursuant to provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

PART A - SUBSIDIARY COMPANIES

Particulars	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Name of the Subsidiary(ies)	Mercator Petroleum Limited	Mercator Oil and Gas Limited	Oorja Resources India Private Limited	Mercator Offshore Logistic Private Limited (Formerly Mercator Dredging Private Limited)	Mercator Oceant-ransport Limited	Mercator Interna-tional Pte. Limited	Offshore Holding Company Pte Ltd	Oorja Holdings Pte. Limited.	Panther Resources Pte Limited	Oorja (Batua) Pte. Limited	MCS Holdings Pte. Ltd.	Oorja 1 Pte. Limited	Oorja Mozam-bique Lda	PT Karya Putra Borneo	PT Karya Putra Borneo	PT Indo Perkasa	Oorja Indo Petangis Four	Oorja Indo Petangis Three	Bima Gema Permata, PT	Oorja Indo KGS	Broadtec Mozam-bique Minas Lda
The date since when subsidiary was acquried	Since inception	Since inception	Since inception	Since inception	Since inception	Since inception	Since inception	Since inception	Since inception	Since inception	Since inception										
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA									
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	US$; 73.5047	US$; 73.5047	US$; 73.5047	US$; 73.5047	US$; 73.5047	US$; 73.5047	US$; 73.5047									
Share Capital	62,63,00,000	15,00,000	2,50,000	1,00,000	5,00,000	60,000	30,00,158	1	8	2	10,00,000	1									
Reserves	-1,32,14,85,254	-2,68,97,49,972	-94,308	-2,02,88,872	-1,60,738	-11,44,28,775	-42,92,956	-49469071	82,32,646	-1,42,26,702	-52,13,309	-1,785									
Total Assets	2,64,14,02,839	2,18,34,82,627	7,16,967	1,16,966	3,58,762	5,72,86,042	10,767	2,33,96,158	83,04,971	1,36,11,775	2,50,14,621	1									
Total Liabilities	2,64,14,02,839	2,18,34,82,627	7,16,967	1,16,966	3,58,762	5,72,86,042	10,767	2,33,96,158	83,04,971	1,36,11,775	2,50,14,621	1									
Investments (except in subsidiary companies)	-	-	-	-	-	-	-	-	83,04,596	-	-	-									
Turnover	-	-	-	-	-	-	-	-	-	-	-	-									
Profit/(Loss) before Taxation	-17,04,44,115	-41,69,41,038	-61,238	-16,493	-14,900	-83,52,601	81,784	-29,18,490	-33,66,685	-1,32,886	-11,12,547	-223									
Provision for Taxation	-	-	-	-	-	-	-	-	-	-	-	-									
Profit /(Loss) after Taxation	-17,04,44,115	-41,69,41,038	-61,238	-16,493	-14,900	-83,52,601	81,784	-29,18,490	-33,66,685	-1,32,886	-11,12,547	-223									
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-									
% of shareholding	76.53%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%									

Please refer note below

Names of subsidiaries which are yet to commence operations: None

Names of subsidiaries which have been liquidated or sold during the year: (i) Marvel Value International Limited (BVI) has been dissolved w.e.f. August, 2020
(ii) The following companies are under the process of liquidation:
Mercator Energy Pte Limited
Mercator Offshore Assets Holding Pte Limited
Mercator Offshore (P) Pte Limited

Note: The information and details of 5 Indian Subsidiaries and 7 overseas subsidiaries which were consolidated as on 31.03.2021 based on their financial statements that were made available by the respective subsidiaries have been mentioned in the table above.

PART B - ASSOCIATES AND JOINT VENTURES

NIL

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Rajendra Kothari
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date
Taken on record by
Girish Siriram Juneja
Resolution Professional for
Mercator Limited
Reg.: IBBI/IPA001/IP-P00999/2017-2018/11646

Place: Mumbai
Date: June 23, 2021

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (*Standalone*)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Adjusted Figures (audited figures after adjusting for qualifications)**
	1.	Turnover / Total income	40.50	40.50
	2.	Total Expenditure	253.62	316.80
	3.	Net Profit/(Loss)	(213.12)	(276.30)
	4.	Earnings Per Share	(7.05)	(9.13)
	5.	Total Assets	400.40	337.22
	6.	Total Liabilities	1,384.79	1,384.79
	7.	Net Worth	(984.39)	(1,047.57)
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	**Audit Qualification (each audit qualification separately):**			
	a. **Details of Audit Qualification:** As stated in Para 3 of the independent auditor's report for the quarter and year ended March 31, 2021 attached herewith.			
	b. **Type of Audit Qualification :** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion Adverse Opinion			
	c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing ~~**(a)** First Time;~~ **(b)** Repetitive; ~~**(c)** Repetitive~~			
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** As stated in Para 4 of notes forming part of standalone financial result for the quarter and year ended March 31, 2021 attached herewith.			
	e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**			
	(i) **Management's estimation on the impact of audit qualification:**			
	(ii) **If management is unable to estimate the impact, reasons for the same:** An appropriate quantification with details have been made for each of observations of modified opinion stated in Para 4 of notes forming part of financial result attached herewith.			
	(iii) **Auditors' Comments on (i) or (ii) above:** As stated in point II (a)			
III.	**Signatories:**			
	Mr. H K Mittal **Executive Chairman**			
	Mr. Rajendra Kothari **CFO**			
	Taken on record by **Mr. Girish Siriram Juneja** **Resolution Professional**			
	S Chandrasekhar **Statutory Auditor**			
	Place: Mumbai			
	Date: 23.06.2021			

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (*Consolidated)*

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Adjusted Figures (audited figures after adjusting for qualifications)**
	1.	Turnover / Total income	412.59	412.59
	2.	Total Expenditure	732.26	795.44
	3.	Net Profit/(Loss)	(319.67)	(382.85)
	4.	Earnings Per Share	(10.98)	(13.07)
	5.	Total Assets	1,218.75	1,155.57
	6.	Total Liabilities	2,587.80	2,587.80
	7.	Net Worth	(1,369.05)	(1,432.23)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification (each audit qualification separately):**			
	a. **Details of Audit Qualification:** As stated in Para 3 of the independent auditor's report for the quarter and year ended March 31, 2021 attached herewith.			
	b. **Type of Audit Qualification :** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion Disclaimer of Opinion			
	c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing ~~(a) First Time;~~ (b) Repetitive; ~~(c) Repetitive~~			
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** As stated in Para 4 of notes forming part of standalone financial result for the quarter and year ended March 31, 2021 attached herewith.			
	e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**			
	(i) **Management's estimation on the impact of audit qualification:**			
	(iii) **If management is unable to estimate the impact, reasons for the same:** An appropriate quantification with details have been made for each of observations of modified opinion stated in Para 4 of notes forming part of financial result attached herewith.			
	(iv) **Auditors' Comments on (i) or (ii) above:** As stated in point II (a)			
III.	**Signatories:**			
	Mr. H K Mittal **Executive Chairman**			
	Mr. Rajendra Kothari **CFO**			
	Taken on record by **Mr. Girish Siriram Juneja** **Resolution Professional**			
	S Chandrasekhar **Statutory Auditor**			
	Place: Mumbai **Date: 23.06.2021**			

MERCATOR LIMITED

CIN: L63090MH1983PLC031418
Regd. Off.: 83-87, 8th floor, Mittal Tower, B Wing, Nariman Point Mumbai 400021
E-mail: secretarial@mercator.co.in; Website: www.mercator.co.in;
Tel.: +91 22 6637 3333; Fax: +91 22 6637 4444

FOR KIND ATTENTION OF SHAREHOLDERS

Dear Shareholders,

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, as amended from time to time, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communications to you through electronic mode:

Registered Folio/DP ID & Client ID	
Name of the Shareholder(s)	
Father's/Mother's/Spouse's Name	
Address (Registered Office Address in case the Member is a Body Corporate)	
E-mail ID	
PAN or CIN(in case of Body Corporate)	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Date of birth of the Member	

Note: Members holding shares in DEMAT mode may furnish these details to their respective depositories.

Place:_____

Date: _____

_____
Signature of the Member

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agent of the Company viz. "Link Intime India Private Ltd; C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.