MERCATOR
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September 22, 2017

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

Sub: Submission of Annual Report

Ref.: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation)

Dear Sir/Madam,

In compliance with the provisions of Regulation 34(1) of Listing Regulation, we hereby submit a copy of Annual Report as approved and adopted in the 33rd Annual General Meeting of the Company.

Please acknowledge the receipt of the same.

Thanking You

Yours faithfully,
For **Mercator Limited**

Suhas Pawar
Company Secretary

MERCATOR LIMITED * MUMBAI *

Encl.: as above

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

MERCATOR

ANNUAL REPORT | **2016-17**

STRONG PERFORMANCE. STRONGER RESOLVE.

MERCATOR

Table of Contents

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

Board of Directors

Mr. H. K. Mittal
Executive Chairman

Mrs. Archana Mittal

Mr. M. M. Agrawal

Mr. Gunender Kapur

Mr. Deshraj Dogra
(w.e.f. February 15, 2017)

Mr. Atul J. Agarwal
Executive VIce Chairman (upto September 30, 2016)

Mr. K. R. Bharat
(upto November 30, 2016)

Mr. Prem Rajani
(w.e.f. December 1, 2016
upto January 10, 2017)

Audit Committee

Mr. M. M. Agrawal
Chairman

Mr. Deshraj Dogra
Member

Mr. H. K. Mittal
Member

Mr. Gunender Kapur
Member

Stakeholders' Relationship Committee

Mr. M. M. Agrawal
Chairman

Mr. H. K. Mittal
Member

Mr. Gunender Kapur
Member

Chief Executive Officer

Mr. Shalabh Mittal

Chief Financial Officer

Mr. Kiran Vaidya *(Officiating Chief Financial Officer)*
(w.e.f. May 30, 2017)

Mr. Prasad Patwardhan
(upto May 29, 2017)

Mr. Kishor Shah *(Group Chief Financial Officer)*
(upto November 12, 2016)

Company Secretary

Mr. Suhas Pawar
(w.e.f. April 10, 2017)

Mr. Deepesh Joishar
(upto February 28, 2017)

Auditors

M/s. CNK & Associates LLP

Bankers

State Bank of India
ICICI Bank
Axis Bank
HDFC Bank
YES Bank

Debenture and Security Trustees

Axis Trustee Services Limited
Axis House, 2nd Floor, Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli, Mumbai – 400 025
Phone: +91 22 2425 5215/5216 | Fax: +91 22 2425 4200
Email: debenturetrustee@axistrustee.com

Corporate Identification Number (CIN)

L63090MH1983PLC031418

Registered Office

3rd Floor, Mittal Tower, B-Wing,
Nariman Point, Mumbai – 400 021
Tel: + 91 – 22 – 66373333/40373333
Fax: + 91 – 22 – 66373344
Website: www.mercator.in
E-mail: mercator@mercator.in / investors@mercator.in

Registrar & Transfer Agents

Link Intime India Pvt. Ltd.
C101, 247 Park, L.B.S. Marg,
Vikroli (West), Mumbai – 400083
Tel: + 91 – 22 – 49186000 | **Fax:** + 91 – 22 – 49186060
E-mail: rnt.helpdesk@linkintime.co.in

Message from Chairman and CEO

H. K. Mittal, *Executive Chairman*

Shalabh Mittal, *Chief Executive Officer*

Dear Shareholders,

FY17 was a transformational year for the company. Towards the beginning of last year, we successfully restructured our business to focus on 4 key verticals – Dredging, Shipping (Oil Tankers), Coal and Oil and Gas. Today, we have evolved into one of the largest private sector dredging companies in India with a strong technical skill set and is well poised to gain from the government initiative on National Water Highways.

We have successfully moved from a cyclical business cycle to a more annuity type business with a strong visibility on earnings. Our Tier 1 Oil and Gas Assets are developing well and would significantly enhance our earnings profile in the near future.

With the business restructuring in place, it had been a busy year for your company as we continued to strengthen our skill set in each of our four key areas of operations. We are now strategically well positioned to benefit from Government of India's strong focus on water infrastructure. At the same time, our well- diversified business portfolio is now significantly der-risked and provides a much higher visibility on earnings.

The Government of India's vision to make India a global transshipment hub, along with the announcement of certain large dredging projects, reflects the high potential of the Indian dredging market and we are looking forward for the changing scenario. Our extensive experience has helped us bid profitably and complete the contracts awarded. We have secured a 3-year contract from New Mangalore Port Trust for about ₹ 98 Crores, DGNP Vizag for ₹ 39 Crores L1 and other port contracts worth ₹ 15 Crores. We are also strategically considering Inland water dredging and are in active discussion

for the same. We, at Mercator operate a diverse dredging fleet which helps us select the appropriate equipment for different maintenance dredging projects accordingly. We emphasize on preventive maintenance in order to reduce the downtime and enhance the vessel's life.

Our assets in the shipping segment look attractive and we are constantly evaluating options to acquire new assets on an asset-light model basis. This ensures long term success and stability. In these challenging times, effective fleet utilization with cost optimization is the key for better earnings and we are proud to report that your company has built world class operational and technical capability. From the business development front, we have secured a time charter contract of around ₹ 120 crores for our MR tanker for a period of 4 years, commencing in January-2017. The 2-year time charter we were engaged in with VLCC was completed in December 2016 and the vessel has been deployed on spot rates from January 2017 onwards. Currently the focus of your management is towards operational efficiency, maintenance of our fleet & strategic capital allocation to create superior shareholders return.

Further, Mercator Petroleum Limited (MPL), our subsidiary company, has recommenced its exploratory drilling activities post receipt of retrospective extension from DGH. Commercial feasibility of the block has since been reviewed and approved by the DGH. The Company shall now test the exploratory wells already drilled and complete the drilling program within the current fiscal year. The company expects to commence commercial production during 1st half of FY 18 and will contribute significantly to the profitability of the group. These are Tier 1 Oil Assets and the crude is light sweet (41 degree API), thus ensuring that no major processing is needed before selling it; and also ensuring that it receives a good premium. The assets are also located under 20 kms from the closest refinery, thereby ensuring that no major evacuation infrastructure is needed.

In March 17, we have also achieved an all-time monthly high in crushing, dispatch and third-party loading quantity of coal. The EBIDTA for coal has increased by 82% compared to quarter ended 30th June 2016. Hence, we can fairly conclude that all the 4 Verticals are self-sustaining and will contribute significantly towards the top line.

We have successfully completed our QIP issue, which was fully subscribed by marquee Qualified Institutional Buyers and also has helped to increase our net worth. Necessary resolution is being placed at the ensuing AGM for your approval to enable the Company to raise funds up to $50 million by way of issue of securities/Foreign Currency Convertible Bonds through QIP/ADR/GDR or any other method in India or abroad. This should help the Company to replace its high cost funds as well as for other permitted uses including expansion. In another interesting development, your Company's sale transaction of MOPU was successfully completed in February 2017. From the proceeds of this sale, we were able to repay approximately ₹ 500 Crores of outstanding debt. The company has taken steps towards re-financing subsequently reducing the high cost short term borrowings. Post sailing and commissioning of Sagar Samrat, the working capital debt of close to ₹ 120 Crores shall reduce. The group is in talks with various institutions for raising of funds by way of FCCB's so as to effectively reduce the average cost of Debt. The Company's long term debt now stands reduced by 34% from ₹ 2,139.35 crores to ₹1,416.13 crores. Further, with more efficient management of working capital it is now lower at ₹ 425 crores. With this encouraging progress, our focus on de-leveraging will continue.

During the year FY17, our consolidated revenue dipped by 21% to 2,115.39 crores from ₹ 2,706.75 crores in FY16. However we significantly lowered our expenses by a over 40%, from ₹ 3,807.31 crores in FY16 to ₹ 2,221.61 crores in FY17, thereby substantially increasing the Profit After Tax to ₹ 24.15 crores from loss of ₹ 880.98 crores in FY16. The board has recommended a dividend of 5% for the year.

We are committed on creating a world-class energy company with a strong focus on generating superior shareholders return. We are well positioned to benefit from the Government of India's focus on port development and water infrastructure. Our strong skill set in Dredging and our large fleet strategically positions us in the current environment. We are focused on effectively deploying our assets on high margin and specialized jobs. Our Tankers and coal business continues to provide us stable earnings. Balance sheet improvement and deleveraging continues to remain our key focus area. We will also look at various strategic options to monetise our non-core assets to meet this objective.

Across our operations, safety, environment and health come first and we are strongly committed to ensure that our operations are safe and free of any risks or hazards. We employ best-in-class standards and ensure our teams have the correct capabilities and knowledge to be better prepared for evolving business challenges.

We would also like to take this opportunity to thank all our stakeholders for their immense support and commitment and we look forward to the same level of confidence. We are also immensely thankful to our board members and members of our leadership team for their continued guidance in our transformation journey. We are proud of the contributions of our dedicated and hardworking employees who are working relentlessly in our growth journey and for creating a great future for us.

Warm Regards,

H. K. Mittal
Executive Chairman

Shalabh Mittal
Chief Executive Officer

Notice

NOTICE is hereby given that the Thirty Third Annual General Meeting of the members of Mercator Limited will be held on Friday, September 15, 2017, at 3:00 p.m. at Rangaswar Hall, 4th Floor, Y. B. Chavan Center, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

a. the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and Auditors thereon; and

b. the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2017 together with the Report of Auditors thereon.

2. To declare Dividend on Equity Share Capital for the financial year ended March 31, 2017.

3. To appoint a Director in place of Mrs. Archana Mittal (DIN:00007972) who retires by rotation, and being eligible, offers herself for re-appointment.

4. To appoint M/s. Singhi & Co., Chartered Accountants (FRN:302049E), as Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Singhi & Co. (FRN:302049E), Chartered Accountants, Mumbai be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. CNK & Associates LLP, Chartered Accountants, Mumbai (FRN:101961W), the retiring Statutory Auditors, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 38th Annual General Meeting of the Company, subject to ratification of their appointment as may be required, at such remuneration plus such taxes as may be applicable and reimbursement of out-of pocket expenses in connection with the audit as the Board of Directors/ Audit Committee may fix in this behalf."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule IV to the Act, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Desh Raj Dogra (DIN: 00226775), a Non-Executive Independent Director of the Company who was appointed as an Independent Director by the Board of Directors of the Company to hold office up to the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from the member under Section 160 of the Companies Act, 2013 along with requisite deposit proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of five years from the date of this Annual General Meeting and will hold office till the conclusion of the 38th Annual General Meeting of the Company."

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the recommendation/approval of Audit Committee, Nomination & Remuneration Committee and the Board of Directors at their respective meetings held on May 30, 2017, consent of the Company be and is hereby accorded to payment of remuneration to Mr. Shalabh Mittal, the CEO of the Company and a relative of Director, and to continue to hold office or place of profit in the Company with the designation as "Chief Executive Officer" or with such other designation as the Board of Directors of the Company may from time to time, decide; inter alia, on the following terms and conditions of his remuneration:

a) Salary: not exceeding ₹ 1,00,00,000/- (Rupees One Crore Only) per annum to be divided into various components as per HR Policy of the Company.

b) Commission: Ranging between 1%-5% of net profits of the Company for any financial year at the absolute discretion of the Nomination and Remuneration Committee/ the Board of Directors, depending upon the performance of the Company.

c) Other Benefits: rent free accommodation and use of car and telephone at residence, medical reimbursement or such other facilities as may be allowed under the applicable laws for the time being in force.

d) The effective date of payment of said remuneration is July 1, 2017, or such other date as may be approved or required by appropriate authority(ies).

e) Other terms and conditions of his appointment shall continue to be the same as were approved by the Board of Directors while appointing him, more particularly stated in his appointment letter dated May 27, 2016.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board") (which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution, including the Nomination and Remuneration Committee) be and is hereby authorized to revise, amend, alter and / or vary the terms and conditions in relation to the above remuneration in such manner as may be permitted in accordance with the provisions of the Act and / or to the extent as may be required, by the concerned authority, if any, while according their approval.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including making of an application to regulatory authorities, execution of necessary documents and to settle any questions, difficulties and / or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with and subject to the provisions of Sections 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force), Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993; the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and in pursuance of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including the Regulations for Qualified Institutions Placement ("QIP"), i.e. Chapter VIII of the SEBI ICDR Regulations ("SEBI QIP Regulations"), and all other applicable Rules, Regulations, Notifications, Circulars, and Guidelines if any, of the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Stock Exchanges where the securities of the Company are listed (including provisions of the SEBI (Listing Obligations and Disclosure Requirments) Regulations, 2015 ("LODR") and other concerned and relevant authorities, and other applicable laws, if any, in India and/or Overseas and the relevant provisions of the Memorandum and Articles of Association of the Company; and subject to such approvals, consents, permissions, or sanctions of the Government of India ("GOI"), RBI, SEBI and any other Domestic/Overseas appropriate authorities, institutions or bodies as may be necessary and subject to such terms, conditions, stipulations, alterations, amendments, modifications or variations as may be prescribed by any of them in granting any such approvals, consents, permissions, or sanctions and which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of Directors for the time being authorised by the Board of Directors to exercise the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot on behalf of the Company, in one or more tranches (including with provision for reservation on firm and/or competitive basis) of public or private offerings in international / domestic markets, to Domestic/Foreign Investors/ Institutional Investors/ Foreign Institutional Investors, Qualified Institutional Buyers, Foreign Portfolio Investors, Members, Employees, Non-Resident Indians, Companies or Bodies Corporate whether incorporated in India or abroad, Trusts, Mutual Funds, Banks, Financial Institutions, Insurance Companies, Pension Funds, Gratuity Funds, Hedge Funds, or any other Funds Individuals (including Resident/Non-Resident Indians, Foreign Nationals), and other eligible and/or permitted Investors, bodies, persons or entities (hereinafter collectively referred to as "Investors") or otherwise, whether shareholders of the Company or not, through a Public Issue, Rights Issue, Private Placement, Preferential Issue, or any other form of permitted issue, with or without an over-allotment option or Green Shoe Option, in the equity shares and/ or equity shares through Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or any other Depository Receipts, and/or Foreign Currency Convertible Bonds ("FCCBs") and/or any securities convertible into equity shares at the option of the Company and/or holder(s) of the securities and/or securities linked to equity shares and/or securities with warrants carrying right to subscribe to equity shares, including any instruments or securities representing either equity shares and/or Foreign Currency Convertible Bonds or Convertible Securities or securities linked to equity shares or securities with equity shares which are convertible or exchangeable with equity shares at a later date, or are attached with any other instrument carrying an option to subscribe to equity shares of the Company; by way of QIP to Qualified Institutional Buyers ("QIBs") under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, or a combination of the foregoing (hereinafter collectively referred to as "Securities") whether secured or unsecured, and whether fully paid or partly paid at any point of time as may be permissible; up to an aggregate amount of USD 50 Million or equivalent amount thereof in Indian Rupees or any other

foreign currency (inclusive of such premium as may be determined) and such offer, issue and allotment to be made at such time or times, in such currency, at such price or prices, at discount or premium to market price (subject to applicable restrictions on minimum offering/ conversion price for equity shares or securities of the Company), in such form and manner and on such other terms and conditions, as may be decided and deemed appropriate by the Board at the time of such offer, issue and allotment.

RESOLVED FURTHER THAT in case of allotment of Securities being made by way of QIP as per the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:

(i) The issue of securities/equity shares is made at such price being not less than the price determined in accordance with the pricing formula of the aforementioned SEBI QIP Regulations.

(ii) the number and/or conversion price in relation to equity shares that may be issued and allotted directly or on conversion of Securities that may be issued pursuant to this resolution including by way of a QIP in accordance with the SEBI QIP Regulations as mentioned above shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring;

(iii) The securities/shares allotted shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized Stock Exchange, or except as may be permitted from time to time by the SEBI QIP Regulations or any other applicable laws;

(iv) the total amount raised in such manner should not, together with the over-allotment option exceed five times the net worth of the Company as per the audited balance sheet of the previous financial year;

(v) the relevant date for the determination of applicable price for the issue of the Securities means the date of the meeting in which the Board of the Company or a duly authorized Committee of Directors decides to open the proposed issue;

(vi) the Company shall ensure that the Securities are fully paid up and that the issue of Securities is made within 12 (twelve) months from the approval of this resolution by the members of the Company, or such other time as may be allowed under the SEBI QIP Regulations from time to time, or by SEBI/Stock Exchanges(s) or any other appropriate Authorities.

RESOLVED FURTHER THAT the Company and/or any entity, agency or body authorised and/or appointed by the Company, may issue global / American depository receipts representing the underlying Securities issued by the Company in negotiable, registered, or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the International/Domestic market.

RESOLVED FURTHER THAT the Company through its Board or any of its Committee and/or any agency or body authorised by the Company (through its Board/ Committee), may issue receipts/certificates or other requisite documents representing the underlying Securities issued/to be issued by the Company with such features and attributes as are prevalent in Indian / International capital markets, for instruments of this nature and provide for the tradability or free transferability thereof as per laws, rules and regulations under the forms and practices prevalent in the Domestic / International Capital markets.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create, issue and allot, from time to time, such number of Equity Shares/Securities at such price (including premium) that may be decided by the Board in its absolute discretion, as may be necessary in accordance with the terms of the offering of any of the aforesaid Securities, including additional Equity Shares or Securities, to retain oversubscription upto such percentage (as may be permitted by the appropriate authorities or under applicable statutes, rules, regulations and guidelines), all such equity Shares/ Securities to rank pari-passu in all respects, with the then existing respective fully paid-up equity Shares/ Securities or proportionately paid up equity Shares/ Securities, as the case may be, of the Company, but shall be subject to such lock-in requirements as may be prescribed by appropriate authorities under applicable laws, if any.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of securities or instruments or equity shares or securities representing the same, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose, including but without limitation, determining the type, form and manner of the issue/securities, the class of eligible investors to whom the securities are to be offered, issued and allotted in each tranche, issue price, face value, premium amount on issue/conversion of Securities/exercise of warrants/ redemption of securities, rate of interest, amount to be called on application, allotment, or on subsequent calls, conversion or redemption period, appointment of Managers, Lead Managers, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Consultants,

Depositories, Custodians, Registrars, Trustees, Bankers, and all other agencies or intermediaries, whether in India or abroad, and to remunerate them by way of commission, brokerage, fees or the like, entering into or execution of all such agreements/ arrangements / Memorandum of Understandings/ documents with any authorities/agencies, listing of the Shares / Securities (including the resultant Equity Shares to be issued as per the terms of issue of the said Securities) on any Indian and/or Foreign Stock Exchange(s), as the Board may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Shares/ Securities as may be required, including issue and allotment of equity shares upon conversion of any securities referred to above or as may be necessary in accordance with the terms of the offer, all such equity shares ranking pari passu and inter-se with the then existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT in the event of issue of Securities by way of FCCBs, GDRs and / or ADRs, and/or other Depository Receipts or in any form, in International market, the relevant date on the basis of which price of the resultant shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board decides to open the proposed issue of the relevant Securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties, doubts or problems that may arise in regard to the offer, issue, or allotment of Securities (including resultant equity shares) and utilisation of the issue proceeds, fully or partly, cancel the issue or amend any terms of it (subject to necessary statutory approvals) as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise, with the intent that the member shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT subject to the total aggregate limit of USD 50 Million or equivalent amount thereof in Indian Rupees or any other foreign currency (inclusive of such premium as may be determined) as stipulated in this resolution and pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or reenactments thereof for the time being in force (the "Act"), the Foreign Exchange Management Act, 1999, as amended, rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, Reserve Bank of India, Securities and Exchange Board of India, including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into with the stock exchanges (the "Stock Exchanges") where the securities of the Company are listed and subject to such approvals, consents, permissions and sanctions as might be required from any regulatory authority and subject to such conditions as may be prescribed by such regulatory authority while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company / any committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this resolution may accept, the consent of the members be and is hereby accorded to the Board to make offer(s) or invitation(s) to subscribe the Secured / Unsecured redeemable Non-Convertible Debentures in one or more series, denominated in Indian rupees or in any foreign currency including but not limited to subordinated debentures, bonds, and/or other debt securities, etc. ("NCD's")., on a private placement basis, in one or more tranches, during the period of one year from the date of passing of Special resolution

RESOLVED FURTHER THAT such of these Securities as are not subscribed, may be disposed off by the Board in its absolute discretion in such a manner, as the Board may deem fit and as permissible by law.

RESOLVED FURTHER THAT to give effect to the aforesaid resolution, the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or Managing Directors or any other Director(s) or other officer of the Company or to any intermediary or agent or advisor of the Company, or to such other person(s) as the Board may think fit and necessary at its absolute discretion."

By Order of the Board
For Mercator Limited

Suhas Pawar
Company Secretary

Regd. Office:
3rd Floor, Mittal Tower,
B-wing, Nariman Point,
Mumbai - 400 021
Dated: July 25, 2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF; AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE FORM OF PROXY FOR THE ANNUAL GENERAL MEETING IS ENCLOSED. PROXY IN ORDER TO BE VALID MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. A relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business to be transacted at the Meeting is annexed hereto.

3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

4. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.

5. The Register of Members and Share Transfer Books will remain closed from Saturday, September 9, 2017 to Friday, September 15, 2017 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.

6. The Dividend for the financial year ended March 31, 2017, as recommended by the Board, if approved by the members, will be paid /dispatched on or after September 20, 2017 to those members whose names appear in the Register of Members of the Company as at the close of business hours on Friday, September 8, 2017.

7. Pursuant to Section 124 of the Companies Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the amount of dividend which remains unclaimed for a period of seven (7) years is to be compulsorily transferred to the "Investor Education and Protection Fund (IEPF)", constituted by the Central Government.

   Member(s) who have not yet encashed their dividend is / are requested, in their own interest, to immediately write to the Registrar & Share Transfer Agent of the Company or to the Company, for claiming their outstanding unpaid / unclaimed dividend, if any for the Financial Year 2009-10 (which is due for transfer to IEPF in November, 2017) and subsequent years. The dividend for the aforesaid years shall be paid only on receipt of request and satisfactory compliance of the requisite procedure.

   The details of unclaimed dividend lying with the Company as on July 30, 2016 (date of last Annual General Meeting) has been uploaded on Company's website www.mercator.in in accordance with the requirements of relevant Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 and the same has also been uploaded on Ministry of Corporate Affairs website www.mca.gov.in

   Further, pursuant to the provisions of section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares on which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. However, Pursuant to the General Circulars issued by the Ministry of Corporate Affairs with respect to Section 124(6) of the Companies Act, 2013 read with Rules made thereunder in relation to transfer of Unclaimed shares to Investor Education and Protection Fund (IEPF), the matter is under due consideration. As such the Company will comply necessary directions / required formalities in this regard. Accordingly, the members will be intimated in this regard from time to time in prescribed manner.

   In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF 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 the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

8. Members are requested to notify immediately any changes in their address to the Company/ Registrar & Share Transfer Agents. In case their shares are held in dematerialized form, the information should be passed on to their respective Depository Participants without any delay.

9. Members, who hold shares in de-materialized form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.

10. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email IDs with their respective

depository participants or with the Registrar and Share Transfer Agent of the Company, unless any member has requested for a physical copy of the same. Members who have not registered their email address so far are requested to register their email address for receiving all communications including Annual Report, Notices, Circulars etc. from the Company electronically. In case you wish to get a physical copy of the Annual Report, you may send your request to investors@mercator.in mentioning your Folio / DP ID & Client ID.

11. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.

Relevant details in terms of the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment and re-appointment at the Annual General Meeting is provided and forms part of the Notice.

12. The Registers / records under the Companies Act, 2013, which are required to be made available for inspection at the Annual General Meeting will be made available accordingly.

13. In case of joint holders attending the Meeting, the member whose name appears as first holder in the order of names as per Register of Members of the Company will be entitled to vote.

14. The route map to reach the venue of the Annual General Meeting is annexed.

The relevant details of Director(s) seeking appointment / re-appointment at the Annual General Meeting as required under Regulation 36 (3) of the Listing Regulations and Secretarial Standard 2 issued by the Institute of Company Secretaries of India are as under:

Name of the Director	Mrs. Archana Mittal*	Mr. Desh Raj Dogra*
Date of Birth	16/11/1954	21/09/1954
Date of First Appointment on the Board	25/03/2015	15/02/2017
Qualifications	Graduate from Delhi University	Master's degree in Agriculture from Himachal Pradesh University and Master's degree in Business Administration from University Delhi
Expertise in specific functional area	Overall business management / spearheading social services	Over 39 years of experience in the financial sector, mainly in the areas of banking and credit rating etc.
Directorship in other Companies	Ankur Fertilizers Private Limited MHL Healthcare Limited MLL Logistics Private Limited Vaitarna Marine Infrastructure Limited Mac Maritime Training and Research Institute Rishi Holdings Private Limited Prem Punita Foundation (Charitable Trust) Oorja Resources India Private Limited HK Sons Realtors Private Limited Premputli Realtors Private Limited Sisouli Realtors Private Limited Urban Pod Private Limited Lotusnest Private Limited Mercator Oil & Gas Limited Mercator Petroleum Limited Mercator FPSO Private Limited	Gandhar Oil Refinery (India) Limited G R Infraprojects Limited Asirvad Micro Finance Limited S. Chand and Company Limited Vikas Publishing House Pvt. Limited S K Restaurants Private Limited AMPL Cleantech Private Limited Welspun Corp Limited Brickwork Risk & Investment Management Solutions private Limited ITI Mutual Fund Trustee Private Limited Sunteck Realty Limited Capri Global Capital Limtied
Membership/ Chairmanship of Committees in other Companies	Nil	S. Chand And Company Limtied – Chairman of Audit Committee Gandhar Oil Refinery (India) Limited – Member of Audit Committee Asirvad Micro Finance Limited – Member of Audit Committee Vikas Publishing House Pvt. Ltd. - Member of Audit Committee
No. of shares held in the Company	2,70,27,400	Nil
Number of Meetings of the Board Attended	5	1
Relationship Between Director inter-se	Wife of Mr. H. K. Mittal, Executive Chairman	---

(* details given hereinabove are as on May 30, 2017)

15. In terms of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is providing facility to exercise votes on the items of business given in the notice through electronic voting system, to members holding shares as on September 9, 2017 being the cut-off date ("cut off date" for the purpose of Rule 20(4)(v)(f)(D) & 20(4)(vii) of the said Rules) fixed for determining voting rights of members entitled to participate in the e-voting process through the e-voting platform provided by Central Depository Services (India) Limited (CDSL). The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Tuesday, September 12, 2017 and will end at 5.00 p.m. on Thursday, September 14, 2017. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of aforesaid period. The Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed Mr. Haresh Jani, Proprietor of Haresh Jani & Associates, Practicing Company Secretaries (Membership No. FCS 4570) or failing him, Ms. Ashwini Desale, Practicing Company Secretaries (Membership No. ACS 25191), to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

Procedure for voting through electronic mode:

In compliance with the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Members are provided with the facility to cast their vote electronically, through the e-Voting Services provided by CDSL on all resolutions set forth in this Notice.

Members are requested to follow the instructions for e-voting as under:

a) The voting period begins on Tuesday, September 12, 2017 at 9:00 a.m. and ends on Thursday, September 14, 2017 at 5:00 p.m. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 9, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

b) The members should log on to the e-voting website www.evotingindia.com.

c) Click on "Shareholders" tab to cast your vote.

d) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

g) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Date of Birth (DOB)	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If details are not recorded with depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (d).

h) After entering these details appropriately, click on "SUBMIT" tab.

i) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

k) Click on the EVSN for the relevant <MERCATOR LIMITED> on which you choose to vote.

l) 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.

m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

n) 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.

o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

p) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

q) 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.

r) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

s) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- 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.

t) In case you have any queries or issues regarding e-voting, 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.

Other instructions:

A. The voting rights of Members shall be in proportion to their shares of the paid up share capital of the Company as on closing hours of business on September 8, 2017.

B. The Company has appointed Mr. Haresh Jani of Haresh Jani & Associates, Practicing Company Secretaries (Membership No. FCS 4570), failing which Ms. Ashwini Desale, Practicing Company Secretaries (Membership No. ACS 25191), to act as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner and to complete physical ballot at the Meeting.

C. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.mercator.in and the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.

By Order of the Board
For Mercator Limited

Suhas Pawar
Company Secretary

Regd. Office:
3rd Floor, Mittal Tower,
B-wing, Nariman Point,
Mumbai - 400 021
Dated: July 25, 2017

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, ANNEXED TO AND FORMING PART OF THE NOTICE.

ITEM NO. 5 :

The Board of Directors vide circular resolution dated February 15, 2017, appointed Mr. Desh Raj Dogra (DIN:00226775) as an Additional Director of the Company in the capacity of Independent Director with effect from February 15, 2017 pursuant to Section 161 of the Companies Act to hold office of Director upto the date of ensuing Annual General Meeting of the Company. In terms of Section 160 of the Companies Act, 2013, the Company has received notice in writing from a member along with a deposit of ₹ 1 Lakh proposing the candidature of Mr. Desh Raj Dogra for appointment as Independent Director as per the provisions of Sections 149 and152 of the Companies Act, 2013.

Mr. Desh Raj Dogra has given declaration to the Board of Directors of the Company that he meets the criteria of Independence as required under Section 149 of the Companies Act, 2013. In the opinion of the Board of Directors, he fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Further, pursuant to the provisions of Section 149 (13) of the Companies Act, 2013, being an Independent Director, he is not liable to retire by rotation.

Except Mr. Desh Raj Dogra, being appointee and his relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 5. The Board of Directors recommend the resolution at Item No. 5 for approval of the Members.

ITEM NO. 6:

Mr. Shalabh Mittal was appointed as Chief Executive Officer and Key Managerial Person of the Company, with effect from May 27, 2016 on a total remuneration of ₹ 2,00,000/- per month. However, upon subsequent request of Mr. Shalabh Mittal, his remuneration was waived for a period of one year from the date of his appointment i.e. from May 27, 2016 to May 26, 2017, the Board accorded its consent for the same. It is now proposed to pay him a remuneration not exceeding ₹ 1,00,00,000/-(Rupees One Crore Only) per annum; details of remuneration and other perquisites are as under:

a) Salary: not exceeding ₹ 1,00,00,000/- (Rupees One Crore Only) per annum to be divided into various components as per HR Policy of the Company.

b) Commission: Ranging between 1%-5% of net profits of the Company for any financial year at the absolute discretion of the Nomination and Remuneration Committee/ the Board of Directors, depending upon the performance of the Company.

c) Other Benefits: rent free accommodation and use of car and telephone at residence, medical reimbursement or such other facilities as may be allowed under the applicable laws for the time being in force and policies of the Company.

d) The effective date of payment of said remuneration is July 1, 2017, or such other date as may be required to be approved by appropriate authority(ies).

e) Other terms and conditions of his appointment shall continue to be the same as were approved by the Board of Directors while appointing him, more particularly stated in his appointment letter dated May 27, 2016.

Mr. Shalabh Mittal holds a Masters of Commerce degree from Sydenham College, University of Mumbai and Post-Graduation Diploma in Business Administration from the S. P. Jain Institute of Management and Research, Mumbai, India. He is also an alumnus of Harvard Business School, Boston, USA. He has wide experience of around 16 years in the field of management, operations & strategic planing etc.

Mr. Shalabh Mittal is a related party within the definition of Section 2(76) of the Companies Act 2013 ("the Act"). Pursuant to the provisions of Section 188 of the Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, appointment of any related party to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding ₹ 2,50,000/- requires prior approval by way of ordinary resolution of the Company. Hence; approval of members is sought for payment of remuneration to him by the company as proposed in the resolution under this item of business.

The information as required in accordance with Rule 15 of Companies (Meetings of Board & its Powers) Rules, 2014, as well as pursuant to Section 102 of the Act is as under:

(a) Name of the related party: Mr. Shalabh Mittal;

(b) Name of the Director or Key Managerial Personnel who is related: Mr. H. K. Mittal, Executive Chairman, Mrs. Archana Mittal, Non Executive Director of the Company,

(c) Nature of relationship: Mr. Shalabh Mittal is Son of Mr. H. K. Mittal, Executive Chairman and Mrs. Archana Mittal, Non Executive Director of the Company, both being Promoters of the Company. Mr. Shalabh Mittal, himself also being a promoter of the Company, is holding 3,61,250 equity shares, constituting 0.1338% of the paid-up equity share capital of the Company.

(d) Nature, material terms, monetary value and particulars of the contract or arrangement: Mr. Shalabh Mittal, has been appointed as Chief Executive Officer and Key Managerial Person of the Company with effect from May 27, 2016. The terms of employment and remuneration of Mr. Shalabh Mittal may be varied from time to time by the Company based on his performance evaluation, and the Company's own Remuneration Policy for similar

position. The Board of Directors of the Mercator Limited at its meeting held on May 30, 2017, has approved the payment of remuneration to Mr. Shalabh Mittal as specified above. The Audit Committee and Nomination & Remuneration Committee have also approved the same.

e) Any other information relevant or important for the members to take a decision on the proposed resolution: Please refer to his qualifications and experience as mentioned aforesaid under this item of business. In respect of this resolution, Mr. Shalabh Mittal, being son of Mr. H. K. Mittal & Mrs. Archana Mittal, all are related to each other. They are interested and concerned to the extent of payment of remuneration Mr. Shalabh Mittal may get by holding the said office or place of profit/ employment in the Company as proposed.

Except the above, no other Director, Key Managerial Personnel or their relatives are anyway concerned or interested, financially or otherwise, in the proposed ordinary resolution. The Board recommends the resolution set forth in Item No. 6 for approval of the Members.

ITEM NO. 7

The Company proposes to raise funds at appropriate time for one or more of the following purposes, viz. for repayment of debt and interest, incurring of capital expenditure, general corporate purpose; working capital, investment in subsidiaries including overseas subsidiaries and step-down subsidiaries, and invest the temporary surplus funds in treasury and / or other permissible purposes/avenues.

After carefully considering various alternative available means to enhance the needed financial resources, the Board of Directors of the Company has proposed to raise finance to the extent of USD 50 Million or equivalent amount thereof in Indian Rupees or any other foreign currency in the manner as set out in special resolution at item no. 7 of this notice. The Company is planning to raise the said funds in one or more tranches by issue of Securities in international/domestic markets by way of Public/Private issue/offering as referred in the said special resolution.

Since the pricing and other detailed terms and conditions for such offerings can be determined only at a later stage, the said resolution is proposed as an enabling resolution, seeking approval of the members of the Company for proposed issue(s) of securities and is proposing to confer authority on the Board to do all acts and deeds which may be required to create, offer, issue and allot securities of appropriate nature at opportune time, including the size, structure, price, timing and other terms and conditions of the offer/issue.

The detailed terms and conditions for such offerings including the pricing will be determined by the Board in consultation with the merchant bankers, lead managers, consultants, advisors, underwriters and/or such other intermediaries that may be appointed for the issue/offer. Wherever necessary and applicable, the pricing and other terms and conditions of the issue/offer will be finalised in accordance with applicable guidelines, directions, rules and regulations in force of the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, and other appropriate authorities; subject to the minimum price of the shares/securities to be issued and allotted being kept in accordance with such applicable guideline, as also the lock-in requirement/ transferability/trading restrictions on such shares/securities.

The Company may propose the issue Secured / Unsecured Redeemable Non-Convertible Debentures (NCDs) on private placement basis, pursuant to and in accordance with the provisions of the Section 71 of the Companies Act, 2013 read along with Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable rules and regulations.

Sections 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") inter-alia provides that whenever it is proposed to increase the subscribed capital of the Company by issue of further shares, such shares shall first be offered to the existing members of the Company in the manner laid down in the said Section; unless the members decide otherwise by a special resolution. Accordingly, consent of the members of the Company is being sought by way of Special Resolution pursuant to the provisions of the Act and in terms of the provisions of the Listing Regulations and other applicable laws, rules, regulations, guidelines, and directions, authorising the Board to create, offer, issue and allot securities as stated in the said resolution, which would result in issuance of further securities of the Company to persons, who may be other than the existing members, in accordance with the terms and nature of the securities.

No Director or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the said resolution, except to the extent of their respective shareholding in the Company.

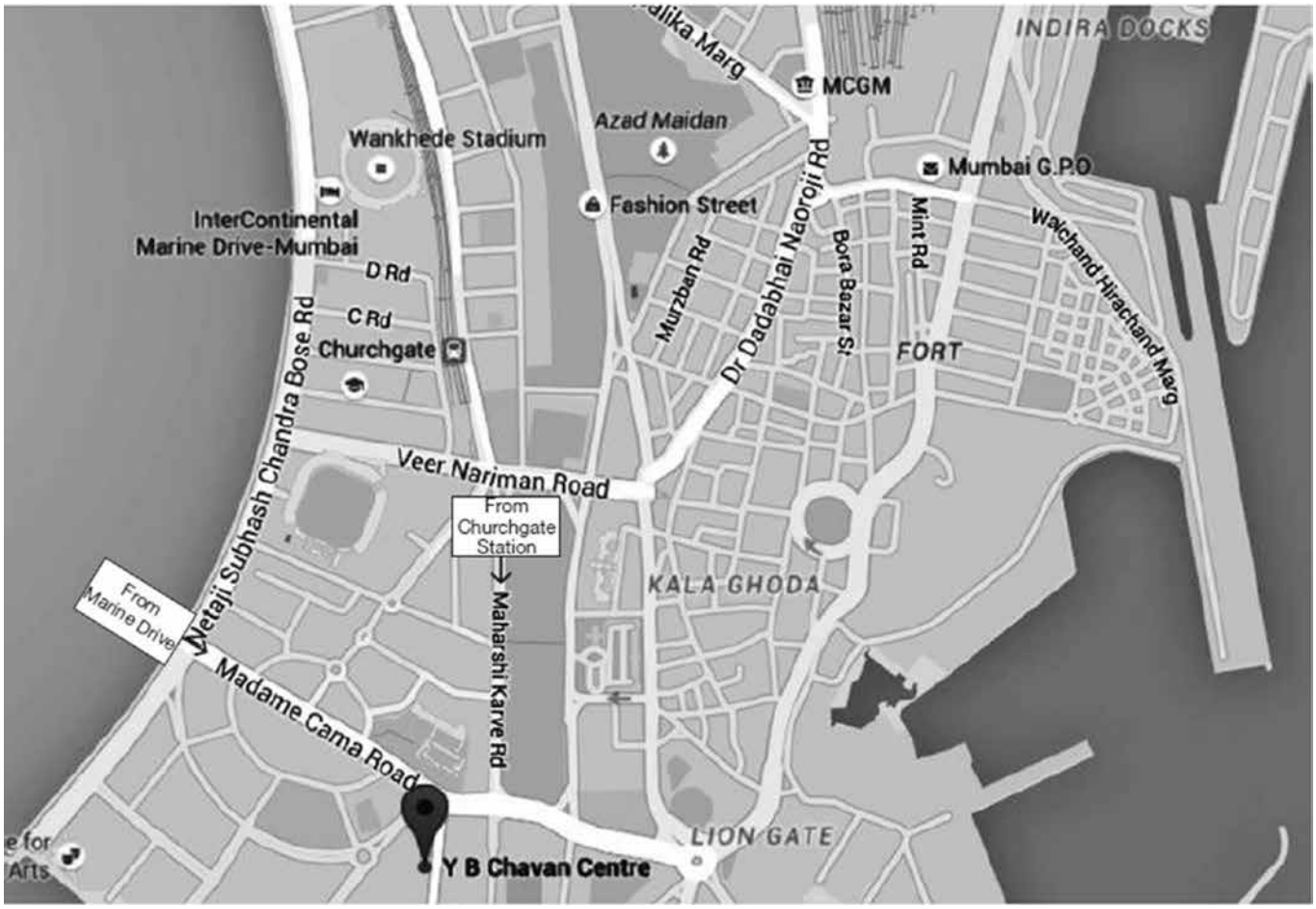
The Board recommends the special resolution set forth in Item No. 7 for approval of the Members.

By Order of the Board
For Mercator Limited

Suhas Pawar
Company Secretary

Regd. Office:
3rd Floor, Mittal Tower,
B-wing, Nariman Point,
Mumbai - 400 021
Dated: July 25, 2017

Route Map to the Venue of 33rd Annual General Meeting



Directors' Report

To
The Members,
Mercator Limited

We take pleasure in presenting Thirty Third Annual Report of your Company for the year ended on March 31, 2017.

FINANCIAL HIGHLIGHTS:

(Amount ₹ in Crores)

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Income from operations	2115.39	2706.75	538.33	588.64
EBIDTA	610.24	(31.98)	223.78	245.85
Interest	(232.42)	(273.42)	(96.89)	(92.83)
Depreciation	(318.64)	(427.46)	(147.28)	(127.24)
Impairment	(0.01)	(348.83)	-	-
Exceptional Items	(9.16)	-	(9.16)	-
Profit/(Loss) before Tax & Minority Interest	50.01	(1081.69)	(29.55)	25.78
Minority Interest	(4.23)	209.61	-	-
Other Comprehensive Income Adjustment	(0.43)	1.31	(0.60)	1.25
Taxes				
- Current Year	(20.03)	(2.49)	(1.00)	(1.00)
- Deferred Tax	(1.18)	(7.72)	-	-
Net Profit/(Loss) After Tax	24.14	(880.98)	(31.15)	26.03

During the year under review, the income from operations on a consolidated basis was ₹ 2115.39 cr as against ₹ 2,706.75 cr in the previous year. The consequential loss of revenue on account of (i) sale of Floating Production Unit (FPU) and (ii) lower volume of coal trading during the year affected the revenue. Further; the revenue of the FY 2016 included operations of dry bulk unit Mercator Lines (Singapore) Ltd. for a period upto December 2015; whose stake was subsequently divested.

The consolidated EBIDTA was ₹ 610.24 cr against loss of ₹ 31.98 cr in the previous year. The consolidated profit before tax was ₹ 50.01 cr against previous year loss of ₹ 1081.69 cr. After providing loss for the minority interest of ₹ 4.23 cr (previous year ₹ 209.61 cr); the profit after tax was ₹ 24.14 cr as against loss of ₹ 880.98 cr in the previous year.

On a standalone basis, the income from operations for the year under review was ₹ 538.33 cr. (₹ 588.64 cr in the previous year). In view of higher Depreciation by about 16% (₹ 147.28 crores against ₹ 127.24 cr in previous year) and Interest of about 4% (₹ 96.90 cr against ₹ 92.83 cr in previous year); exceptional item of ₹ 9.16 cr; the Company had standalone loss of ₹ 31.15 cr (previous year profit of ₹ 26.03 cr) after provision of tax of ₹ 1 cr (previous year ₹ 1 cr).

OPERATIONS & FINANCE:

Coal

Globally, all commodities including Coal have witnessed falling prices during the major part of the year. However, these have stabilized & risen towards the year end. Rationalization measures were undertaken across the coal business which has yielded fruitful results. During the year, coal logistics business improved due to better utilization of assets.

During the year, though there was increase in coal mined (1.74 MMT against 1.17 MMT in previous year); the trading volume was decreased (2.77 MMT against 3.65 MMT in previous year).

Oil and Gas

As members are aware; Mercator Petroleum Limited ('MPL'), a subsidiary of the Company has Production Sharing Contracts with the Government of India for exploration of petroleum in two blocks viz. CB-3 & CB-9, under the Seventh New Exploration Licensing Policy round (NELP-VII). MPL has 100% participating interest ('PI') in both the above blocks. Exploration activities continue in CB-9. Subsequent to the financial year end; one more well was drilled. The said well too, has encountered potential hydrocarbon zones and is planned to be tested alongside 3rd and 4th well, post monsoon,

in order to achieve higher efficiency. Block CB-3 is currently under exploration period.

MPL in consortium with Oil India Ltd. and others, had entered into Production Sharing Contract with the Ministry of Energy, Myanmar for two (2) shallow offshore oil blocks viz. M-4 and YEB. MPL has held 25% PI in both these blocks. While the initial study has been completed in both the blocks, prospects for M-4 appeared to be poor and therefore the Consortium, along with Oil India, applied to relinquish the said Block during the year under review.

The most of the work at EPC project awarded by ONGC for conversion of their Mobile Offshore Drilling Unit (MODU) 'Sagar Samrat' into a Mobile Offshore Production Unit (MOPU) was completed and it was floated on water subsequent to year end. The project would be now delivered post monsoon after completion of Installation.

During the year; the Floating Production Unit operating in Nigeria was sold; proceeds of which were used for repayment of debts.

Shipping

All the tankers and gas carrier continued to be deployed gainfully during the year. One of the MR Tankers secured a contract of 4 years for an aggregate value of ₹ 120 cr.

Dredging

All the dredgers were gainfully deployed under various contracts; except one that had long unscheduled repairs. During the year the dredging division accounted for works at various ports including Kandla, Paradip, Goa, Cochin, Mangalore etc.

Finance

Pursuant to the approval received at the last Annual General Meeting; the Company successfully completed QIP issue during the year. Under the issue 2,50,00,000 Equity shares of face value of Re. 1/- each at a premium of ₹ 39.75 per equity share aggregating to ₹ 101.87 cr were placed which were subscribed fully by marquee investors. The proceeds of the issue were utilized for intended purposes i.e repayment of loans and general corporate purposes.

With clear focus on deleveraging balance sheet; Mercator group took some proactive measures on reduction of debts such as strategic refinancing; efficient working capital management. This has resulted into reduction of debts about 34% to ₹ 1416 cr (from ₹ 2139 cr as at March 31, 2016).

It is proposed to seek consent from the members for issue of securities upto an amount USD 50 mn in equivalent Indian and/or any other foreign currency to augment long term working capital requirements, replace high cost debt, general corporate purposes and other permissible end uses.

TRANSFER TO RESERVES:

During the year under review, the Company has transferred ₹ 12.50 Cr to Debenture Redemption Reserve.

DIVIDEND:

The Board of Directors are pleased to recommend dividend @5% i.e. Re. 0.05 per share on 26,98,92,073 Equity shares of Re.1/- each for the year under review subject to the approval of members at the ensuing Annual General Meeting of the Company.

The dividend, if approved by the members at the Annual General Meeting, shall entail a payout of ₹ 1.62 Cr including Dividend Distribution Tax (DDT) of ₹ 0.27 Cr.

CHANGES IN BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Board of Directors:

During the year under review, Mr. Atul Agarwal (DIN:00007663) and Mr. K. R. Bharat (DIN: 00584367) resigned from office of Directors of the Company w.e.f close of business hours on September 30, 2016 and November 30, 2016 respectively. Mr. Prem Rajani (DIN:00062833); who was appointed as an Additional Director (Independent Non- Executive Director) by the Board of Directors vide circular resolution passed on December 1, 2016, resigned from the office of Director with effect from January 10, 2017. The Board of Directors place on record its sincere appreciation for the support and contribution made by aforesaid Directors during their tenure as Director of the Company.

Mr. Desh Raj Dogra (DIN:00226775) was appointed as an Additional Director (Independent Non-Executive Director) by the Board with effect from February 15, 2017. Pursuant to the provisions of the Section 161 of the Companies Act, 2013; Mr. Dogra holds office upto the date of ensuing Annual General Meeting. The Company has received a notice from a member proposing appointment of Mr. Dogra for the office of Director along with necessary deposit.

Mrs. Archana Mittal (DIN:00007972) shall be the Director liable to retire by rotation at the ensuing Annual General Meeting in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company; and being eligible, offers herself for re-appointment.

Additional information on Directors recommended for appointment / reappointment, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), is provided in the notice convening 33rd Annual General meeting of the Company accompanying this report. The Company has received declarations from Mr. M. M. Agrawal, Mr. Gunender Kapur and Mr. Desh Raj Dogra confirming that they meet with the criteria of Independence as prescribed under provisions of the Companies Act, 2013, Rules made thereunder and the Listing Regulations.

Your Directors recommend the above appointment / re-appointment for your approval.

KEY MANAGERIAL PERSONNEL

Mr. Kishor Shah resigned from the office of Group Chief Financial Officer and Key Managerial Personnel of the

Company w.e.f. November 12, 2016. Mr. Deepesh Joishar resigned from the office of Company Secretary and Key Managerial Personnel w.e.f. February 28, 2017. Mr. Shalabh Mittal was appointed as Chief Executive Officer and Key Managerial Personnel of the Company w.e.f. May 27, 2016. Mr. Suhas Pawar (Membership No. A36560) has been appointed as Company Secretary and Key Managerial Personnel of the Company w.e.f. April 10, 2017. Mr. Prasad Patwardhan resigned from the office of Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. May 29, 2017. Mr. Kiran Vaidya has been appointed as Officiating Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. May 30, 2017.

BOARD EVALUATION PROCESS:

Pursuant to the provisions of the Companies Act, 2013 & the Listing Regulations, evaluation of every Director's performance was done by the Nomination and Remuneration Committee. The performance evaluation of the Non Independent Directors and the Board as a Whole, committees thereof and the Chairman of the Company was carried out by the Independent Directors. Evaluation of the Independent Directors was carried out by the Board. A structured questionnaire was prepared based on criteria approved by Nomination and Remuneration Committee and circulated to the Directors for evaluation process.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

As on March 31, 2017, your Company had total 33 subsidiaries / step-down subsidiaries.

As per Section 134 of the Companies Act, 2013, your Company has provided the Audited consolidated financial statements for the year ended on March 31, 2017; together with Auditors' Report thereon forming part of this Annual Report, which includes financial information of all the subsidiaries. These documents will also be available for inspection during the business hours at the Registered Office of your Company and the respective subsidiary companies. A statement pursuant to the provisions of the Section 129 (3) of the Companies Act, 2013 read with relevant rules 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. The Annual Report of your Company though does not contain full financial statements of the subsidiary companies; the audited annual accounts and related information of subsidiary companies is placed on website and will be made available, upon request by any member of the Company.

AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the term of Statutory Auditors of the Company M/s. CNK & Associates LLP (FRN:101961W), ends at the conclusion of the ensuing Annual General Meeting and not eligible for re-appointment. The Audit Committee has recommended the appointment of M/s. Singhi and Co. (FRN: 302049E), at its meeting held on May 30, 2017 in place of retiring Statutory Auditors. M/s. Singhi and Co. have furnished a certificate that their appointment, if made, will be within the limits prescribed under the Companies Act. The Directors recommend their appointment as the Statutory Auditors for a period of five years for approval of the Members. Members are requested to approve their appointment as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the 38th Annual General Meeting of the Company, subject to the ratification of their appointment by the Members as may be required in this regard.

AUDITORS' REPORT:

Statutory Auditors' Observations in Audit Report on Consolidated Financials and Directors' explanation thereto –

i) In respect of the observation in the Audit Report regarding, the unaudited financial statements of one step down subsidiary as approved by the management of the said subsidiary was considered where in the Group's share of Net Assets of ₹ 18,586 lakhs as at March 31, 2017, Revenues of ₹ 13,675 lakhs and profit for the year of ₹ 13,669.42 lakhs for the year ended on that date in the Consolidated Financial Statements. Auditor's statement in their report is based on the unaudited financial statement of the said subsidiary.

   The respective step down subsidiary is in the process of getting its accounts audited.

ii) In respect of the observation in the Audit Report regarding recoverability of long overdue trade receivables by one step down subsidiary viz. MCS Holdings Pte Ltd. amounting to ₹ 7,297.01 lakhs (USD 11.25Mn) (PY ₹ 9212.85 lakhs (USD 13.89 Mn)) for which no allowance for impairment has been made.

   The Company is reasonably confident of the recovery of these receivables amounting to ₹ 7297.01 Lakhs (USD 11.25Mn) (PY ₹ 9212.85 Lakhs (USD 13.89 Mn)) and dispatch income of ₹ 648.32 Lakhs (USD 0.99 Mn) recognized in the current year.

iii) In respect of the observation in the Audit Report regarding recoverability of the deposits paid by two step down subsidiaries viz. Oorja 1 Pte. Ltd. and Oorja 2 Pte Ltd. amounting to ₹ 2195.92 lakhs (USD 3.39 Mn.) paid to acquire 70% equity interests in companies which own coal mining concessions.

   The Company is reasonably confident of the recoverability of those advances amounting to ₹ 2,195.92 lakhs (USD 3.39 Mn).

SECRETARIAL AUDIT REPORT

As required under the provisions of Section 204 of the Companies Act, 2013, your Company has obtained a Secretarial Audit Report for the financial year ended on March 31, 2017 from M/s. Ganesh Narayan & Co., Company Secretaries which is appended as Annexure I and forms part of this report. The said report does not contain any qualifications, reservations, or adverse remarks or disclaimers.

MEETINGS OF THE BOARD

Six meetings of the Board of Directors were held during the year. The details are provided in the Corporate Governance Report forming part of this Report.

COMMITTEES OF THE BOARD

The details of the Committees of the Board constituted under the Companies Act, 2013 and Listing Regulations are given in the Corporate Governance Report forming part of this Report.

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 of the Companies Act, 2013 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 is appended as Annexure II and IIA respectively.

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 crew are properly trained to steer in bad weather using minimum Rudder movements.
- 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.
- Switching off the lights/Air condition systems whenever possible.

(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 ₹ 14.34 cr (previous year ₹ 16.80 cr) and spent ₹ 94.58 cr (previous year ₹ 75.86 cr) 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.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Directors hereby confirm that:

i) In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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 at the end of the financial year and of the profit and loss for the year under review;

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 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;

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 IN RESPECT OF FRAUD REPORTED BY AUDITORS

There was no such frauds reported by the Auditors of the company during the year under review pursuant to Section 143(12) of the Companies Act, 2013.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORTS

The Company is committed to good corporate governance in compliance with the Listing Regulations; and the Philosophy of the Mercator Group. A report on Corporate Governance including the relevant Auditors' Certificate regarding compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations is annexed. Management Discussion and Analysis Report is also annexed.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with regulations under the Companies Act, 2013; CSR Committee has been constituted and CSR policy has been adopted by the Company.

As per the criteria laid down under the Companies Act, 2013, of average profit in the last three financial years; your Company was required to spend an amount of ₹ 0.53 cr statutorily on CSR activities during the year. Your Company has initiated the CSR activities through its Implementing Agency Prem Punita Foundation and spent ₹ 0.05 cr during FY 2017. Your Company is ascertaining the expenditure in consultation with them and will spend accordingly the balance money.

The details of the Committee and initiatives on CSR are set out in the Corporate Governance Report forming part of the Directors' Report. Reporting on CSR in format specified is forming part of this report as Annexure III

LOANS, GUARANTEES AND INVESTMENTS

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 statement.

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.

http://mercator.in/investors/index.aspx?id=7055

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 the Directors' 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.

http://mercator.in/investors/index.aspx?id=7055

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

The details of the training and familiarization program are provided in the Corporate Governance Report. Further 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. The format of letter of appointment is available on the website at http://mercator.in/investors/Statutory%20Disclosures/Policies/TermsandConditions.pdf.

TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

In pursuance of the provisions of Section 124(6) of the Companies Act, 2013 and the IEPF (Accounting, Audit,

Transfer and Refund) Rules, 2016 notified on September 7, 2016, in addition to the transfer of amounts of unclaimed/ unpaid dividend for 2008-09, the underlying shares are also required to be transferred to the IEPF Authority in case the dividend of further 7 (Seven) consecutive years.

Individual reminders have been sent to concerned members advising them to encash their dividend and the complete List of such members whose Shares are due for transfer to the IEPF is also placed in the Unclaimed Dividend section of the Investor Section on the website of the Company at http://mercator.in/investors/index.aspx?id=7043.

The Company will transfers corresponding shares to IEPF in accordance with the provisions of the Companies Act, 2013 and rules made thereunder including any statutory modification, re-enactments for the time being in force.

MATERIAL CHANGES AND COMMITMENTS

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company as on March 31, 2017 and the date of this report i.e. July 25, 2017.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return of the Company for the financial year ended on March 31, 2017 in Form MGT-9 is appended as Annexure IV.

GENERAL

- During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 and rules made thereunder.
- During the year under review, there was no change in nature of business of the Company.
- The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 is appended as Annexure V.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- The Company has in place policy as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no case was reported to the Committee constituted under the said Act.

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, stakeholders and all Mercatorians.

For and on behalf of the Board
For Mercator Limited

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

Regd. Office:
3rd Floor, Mittal Tower,
B-wing, Nariman Point,
Mumbai – 400021.
Dated: July 25, 2017

Annexure I

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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
(CIN: L63090MH1983PLC031418)
3rd Floor, Mittal Tower, B – Wing
Nariman Point, Mumbai – 400021.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mercator Limited (CIN: L63090MH1983PLC031418) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to me and the representation made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under:

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

(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;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. (Not applicable to the company during the Audit Period)

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

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

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period)

(vi) I further report that based on the information received, explanation given, records maintained and statutory compliance submitted to the Board on quarterly basis, there are adequate systems and processes in the Company to monitor and ensure compliance with the applicable laws. The Company has confirmed compliance with the following laws applicable to the Company:

A. Specific Laws.

- Merchant Shipping Act, 1958.
- Inland Vessels Act, 1917(Subs by Act 35 of 1977, Sec 4 for Inland Steam-Vessels)
- The Seamen's Provident Fund Act, 1966.

I further report that, I have not examined compliance with applicable Financial Laws, like Direct Tax, Indirect Tax, etc since the same have been subject to review by statutory financial audit and other designated professionals.

I have also examined compliance with the applicable clauses of the following:

(i) The Listing Agreements entered into by the Company with BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Stock Exchange of Singapore (SES)/(SGX)

(ii) Secretarial Standards of The Institute of Company Secretaries of India with respect to the board and general meetings as applicable 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.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings and Committee Meetings were carried through on the basis of majority as recorded in the minutes of the meetings. As represented by the Management, there were no dissenting views by any member of the Board of Directors or Committee of the Board as the case may be during the period under review. Resolutions Passed by circulations were approved in the subsequent Board Meeting.

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me generally 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.

I further report that 500-12.40% Secured Debentures of ₹ 10 lakhs each aggregating to ₹ 50 crore were redeemed during the year.

I further report that during the audit period,

(i) Mr. Prem Rajani was appointed an Independent Director w.e.f 01/12/2016.

(ii) Mr. K. R. Bharat and Mr. Prem Rajani; the Independent Directors resigned w.e.f 30/11/2016 & 10/01/2017 respectively;

(iii) Mr. D. R. Dogra has been appointed as an Additional Independent Director w.e.f 15/02/2017;

(iv) Mr. Deepesh Joishar Company Secretary resigned w.e.f 28/02/2017. Subsequent to year end; Mr. Suhas Pawar has been appointed as Company Secretary and KMP w.e.f. 10/04/2017;

(v) Mr. Shalabh Mittal, Son of H.K. Mittal- Executive Chairman of the Company was appointed as CEO from 27/05/2016;

(vi) Mr. Kishore Shah; Group CFO resigned w.e.f 12/11/2016;

(vii) Mr. Atul Agarwal- Executive Vice Chairman resigned w.e.f 30/09/2016. Further, during the period under review, he sold 54,60,966 Shares(2.23%). Further, his family members (Person acting in concert with him) also sold 11,94,000 Shares(0.49%);

(viii) The Company raised ₹ 101, 87, 50,000/- (Rupees One hundred one Crores Eighty Seven Lakhs Fifty Thousand) by issue of 2, 50, 00,000 Equity Shares of Re. 1/- each @ premium of ₹ 39.75 per share by QIP and listed the said Shares at BSE AND NSE Exchanges.

There were no instances of

a) Public/Right/Preferential issue of shares / debentures/ sweat equity

b) Redemption / buy-back of securities

c) Merger / amalgamation / reconstruction etc.

d) Foreign technical collaborations.

For **GANESH NARAYAN & COMPANY**
COMPANY SECRETARIES

PROPRIETOR
FCS: 6910/C P No: 2238

Place: Mumbai
Date: May 30, 2017

Note: This report is to be read with my letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

Annexure A

To,
The Members
Mercator Limited
(CIN : L63090MH1983PLC031418)
3rd Floor, Mittal Tower, B – Wing
Nariman Point, Mumbai - 400021

My 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. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **GANESH NARAYAN & COMPANY**
COMPANY SECRETARIES

PROPRIETOR
FCS: 6910/C P No: 2238

Place: Mumbai
Date: May 30, 2017

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** / **Ratio** Mr. H. K Mittal 1:0.14 Mr. M M Agarwal - Mr. Gunender Kapur - Mrs. Archana Mittal - Mr. Desh Raj Dogra -
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 FY2016-17, the percentage increase in the remuneration of Mr. Deepesh Joishar, Company Secretary was 15%. Except the above, there was no increase in remuneration of Directors, Chief Financial Officer, Chief Executive Officer of the Company.
3	The percentage increase in the median remuneration of employees in the financial year.	6%
4	The number of permanent employees on the rolls of the Company.	86
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.	Average percentile is 6% and percentile increase in the managerial remuneration is 15%. This increase of 15% in the salary of Company Secretory which was based on individual performance level.
6	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

Annexure II

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	Total Remuneration (₹ in lakhs)	Last employment held
Capt. Kowshik	52	HND (Nautical Science) MICS	34	1-Apr-2005	President - Shipping	113.13	Mundo Gas
Mr. Romie Umrigar	57	Marine Engineer	33	15-Jan-2014	Head Technical - Dredging	69.98	Solitaire Marine & Offshore Pvt. Ltd.
Mr. H K Mittal	67	M. Tech.	42	23-May-1988	Executive Chairman	72.00	Natraj Organics Limited
Mr. Vikram Sharma*	43	Navigational Officer	2.6	1-Apr-2016	Chief Officer	59.16	Pratibha Shipping Co. Ltd.
Mr. Sujay Kewalramani	34	MS in Naval Architecture & Marine Engineering	14	1-Feb-2014	Vice President - Dredging	55.38	Jaisu Shipping
Mr. Antony Augustine*	39	Master Mariner	1.1	22-Jan-2015	Master	55.35	Sanmar Shipping Ltd.
Mr. Jiban Kumar B*	66	Marine Engineer	0.5	22-Sep-2016	Chief Engineer	51.29	GOL Offshore Ltd.
Mr. Neville Damania	54	MEO Class I motor (Govt. Of India)	27	21-Apr-2014	GM - Technical	49.92	Varun Shipping Ltd.
Mr. Direndra Saraswat*	41	Marine Engineer	0.8	14-Feb-2013	Chief Engineer	47.62	Sea Consortium Pte Ltd.
Mr. P. K. Malakar*	65	Marine Engineer	0.8	23-Mar-2016	Chief Engineer	46.67	Shipping Corporation of India
Mr. Prashad Jaishankar #*	49	Marine Engineer	0.8	17-Dec-2015	Chief Engineer	82.92	Great Eastern Shipping Co. Ltd.
Capt. Vinod Kumar #*	59	Master Mariner	0.4	11-Aug-2016	Master	60.32	Univan Ship Management Ltd.
Mr. Vijaykumar Mariarputham Anthuan #*	59	Marine Engineer	0.4	19-Oct-2016	Chief Engineer	66.34	BSM India
Mr. Anil Kumar Singh#*	44	Master Mariner	2.7	10-Oct-2012	Master	88.60	Reliance Industries Ltd.
Mr. Kishor Shah #	53	Chartered Accountant	31	15-Dec-2015	Group CFO	148.69	Balrampur Chini Mills Ltd.

Note:

1 # employed with the Company for part of financial year 2016-17
2 * nature of employement is contractual
3 Mr. H. K. Mittal, Executive Chairman of the Company is relative of Mrs. Archana Mittal, Director of the Company
4 None of the other employees is related to any Director of the Company.
5 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

Annexure III

Annual Report on CSR Activities pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR Policy:

Mercator Limited Company has initiated its own CSR policy and appointed Prem Punita Foundation as an implementing agency. Prem Punita Foundation is a Mumbai based Non-Government Organization (NGO) registered in the year 2005 under Bombay Public Trust Act, 1950. The Foundation re-engineered itself in the year 2010 with a promise to help the under privileged without looking into their caste, creed, colour or religion. As a step forward, it seeks to create an alignment between the rich and poor so that individual aspirations find a place to come closer.

The Foundation is committed to undertake social welfare projects amongst different groups enabling them to improve their perspective towards their lives. In the last couple of years, Prem Punita Foundation has been working with the slums of south Mumbai, especially in the Colaba area. They work closely with the inhabitants of Machhimar Nagar, Ambedkar Nagar and Geeta Nagar in the pursuit of elevating the lot of those who are socially and financially challenged.

Prem Punita Foundation has segregated its activities in five projects which aim at helping the poorest of poor in the areas served by them. Major projects as outlined by them are as follows:

- **Project Prem Pravah:** To support individuals, groups, education institutions, vocational training institutes through the means of financial assistance and /or materials as deemed fit by the committee.
- **Project Prem Sarita:** Poverty alleviation program through self-help groups and awareness about governmental schemes.
- **Project Prem Sukhada:** Betterment of Health conditions of beneficiaries through medical check-up, mobile medical van, awareness programs on health concerns.
- **Project Prem Kshamata:** Skill-based training program such as spoken English, personality development, self-defence for eligible and interested candidates from virtually adopted communities.
- **Project Prem Sagar:** Job – oriented training in the field of Retail Management, house-keeping, hospitality and skilled jobs such as gardener, welder, fitter, electrician, plumber etc.

The Board of Directors framed and adopted CSR Policy in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, which is available on the Company's website viz. www.mercator.in

2. Composition of the CSR Committee:

The CSR Committee of the Board consists of

1. Mr. H. K. Mittal – Chairman;
2. Mr. Gunender Kapur - Member;
3. Mr. M. M. Agrawal - Member.

3. Average Net Profit of the Company for last three financial years: ₹ 26.71 Crores

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 0.53 Crores

5. Details of CSR Spent during the financial year:

a) Total amount to be spent for the financial year : ₹ 0.53 Crores

b) Amount spent : ₹ 0.05 Crores

c) Amount unspent : ₹ 0.48 Crores

d) Manner in which amount spent during the financial year is given hereinbelow as Statement of CSR Expenditure.

6. **In case the Company has failed to spend the two per cent of the average net profits of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's report :**
   The Company is ascertaining expenditure under other projects for CSR activities to be undertaken in consultation with Prem Punita Foundation Trust and will spend accordingly the balance money.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objective and Policy of the Company.**
   The implementation and monitoring of CSR policy, is in compliance with CSR objective and Policy of the Company.

Statement of CSR Expenditure

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs -wise	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Over heads	Cumulative expenditure upto the reporting period	Amount spent Direct through implementing agency
1	Project Prem Pravah	To support individuals, groups, education institutions, vocational training institutes through the means of financial assistance and /or materials as deemed fit by the committee.	Mumbai	3,00,000	3,00,000	3,00,000	Implementing agency Prem Punita Foundation
2	Project Prem Sukhada	Betterment of Health conditions of beneficiaries through medical check-up, mobile medical van, awareness programs on health concerns.	Mumbai	2,00,000	2,00,000	2,00,000	Implementing agency Prem Punita Foundation
	Total			**5,00,000**	**5,00,000**	**5,00,000**	

For Mercator Limited

Shalabh Mittal
Chief Executive Officer

H. K. Mittal
Chairman of CSR Committee

Place: Mumbai
Date: July 25, 2017

Annexure IV

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

CIN	L63090MH1983PLC031418
Registration Date	24/11/1983
Name of the Company	Mercator Limited
Category/Sub-category of the Company	Company limited by shares/Indian Non-Government Company
Address of the Registered office & contact details	3rd Floor, Mittal Tower, B-wing, Nariman Point, Mumbai – 400 021 Tel Nos: 91-22-66373333 Fax Nos: 91-22-66373344 E-mail: mercator@mercator.in / investors@mercator.in
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400083 Tel No : +91 22 49186270 Fax: +91 22 49186060 E-mail id : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Sea and coastal freight water transport	5012	50.47
2	Renting and operational leasing of water-transport equipment without operator	77306	49.53

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name	Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Mercator Oil & Gas Ltd.	3rd Floor, Mittal Towers, B-Wing, Nariman Point, Mumbai – 400 021	U63033MH2005PLC154014	Subsidiary	100	2(87)(ii)
2	Mercator Petroleum Ltd.	3rd Floor, Mittal Towers, B-Wing, Nariman Point, Mumbai – 400 021	U11102MH2007PLC170562	Subsidiary	87.75	2(87)(ii)
3	Mercator FPSO Pvt. Ltd.	3rd Floor, Mittal Towers, B-Wing, Nariman Point, Mumbai – 400 021	U11100MH2011PTC223593	Subsidiary	100	2(87)(ii)
4	Oorja Resources India Pvt. Ltd.	3rd Floor, Mittal Towers, B-Wing, Nariman Point, Mumbai – 400 021	U51109MH2009PTC195418	Subsidiary	100	2(87)(ii)
5	Mercator International Pte. Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	100	2(87)(ii)
6	Offshore Holdings Pte Ltd. (Formerly known as Mercator Offshore Holdings Pte. Limited.)	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	100	2(87)(ii)

Sl. No	Name	Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
7	Mercator Energy Pte. Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	75	2(87)(ii)
8	Oorja Holdings Pte. Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	100	2(87)(ii)
9	Oorja 1 Pte. Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	100	2(87)(ii)
10	Oorja 2 Pte. Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	100	2(87)(ii)
11	Oorja 3 Pte. Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	100	2(87)(ii)
12	Panther Resources Pte. Ltd.	41 Bangkit Road, #12-01, Chestervale Singapore – 679978.	NA	Subsidiary	100	2(87)(ii)
13	Oorja Mocambique Limitada	Av. Guerra Popular, 1028 2º Andar, Maputo, Mozambique	NA	Subsidiary	100	2(87)(ii)
14	Broadtec Mocambique Minas Limitada	Av. Guerra Popular, 1028 2º Andar, Maputo, Mozambique	NA	Subsidiary	85	2(87)(ii)
15	PT Oorja Indo Petangis Four	A9 Office Park Unit A3A, 2nd Floor, Jl. Mega Kuningan Raya, Jakarta 12950, Indonesia	NA	Subsidiary	100	2(87)(ii)
16	PT Oorja Indo Petangis Three	A9 Office Park Unit A3A, 2nd Floor, Jl. Mega Kuningan Raya, Jakarta, Indonesia -12950	NA	Subsidiary	100	2(87)(ii)
17	PT Oorja Indo KGS	A9 Office Park Unit A3A, 2nd Floor Jl. Mega Kuningan Raya, Jakarta, Indonesia -12950	NA	Subsidiary	100	2(87)(ii)
18	MCS Holdings Pte. Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	100	2(87)(ii)
19	MCS Fuel Trading Sdn. Bhd.	Level 2, Tower 1, Avenue 5 Bangsar South city W.P. Kuala Lumpur - 59200	NA	Subsidiary	100	2(87)(ii)
20	PT Mincon Indo Resources	Menara Prima, 15th Floor Units A& B, Jl. Lingkar, Mega Kuningan Blok 6.2, Jakarta, Indonesia 12950	NA	Subsidiary	100	2(87)(ii)
21	Mercator Offshore (P) Pte. Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	76.25	2(87)(ii)
22	Oorja (Batua) Pte. Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	100	2(87)(ii)
23	PT Bima Gema Permata	Menara Prima, 15th Floor Units B, Jl. Lingkar Mega Kuningan Blok 6.2, Jakarta, Indonesia 12950	NA	Subsidiary	100	2(87)(ii)
24	PT Nuansa Sakti Kencana	Menara Prima, 15th Floor Units B, Jl. Lingkar Mega Kuningan Blok 6.2, Jakarta, Indonesia 12950	NA	Subsidiary	100	2(87)(ii)
25	PT Karya Putra Borneo	Menara Prima II, 20th floor Unit A&B Jl. Lingkar Mega Kuningan No. 6.2, Jakarta, Indonesia 12950	NA	Subsidiary	50	2(87)(i)
26	PT Indo Perkasa	Bl-7-8, Citraland, Jl. D.I. Panjiaitan Komp. Roko, Samarinda	NA	Subsidiary	25.5	2(87)(i)
27	Mercator Projects Pte. Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	75	2(87)(ii)

Sl. No	Name	Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
28	Mercator Offshore Assets Holding Pte. Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	75	2(87)(ii)
29	Mercator Okwok FPU Pte. Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	75	2(87)(ii)
30	Mercator Okoro FPU Pte. Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	75	2(87)(ii)
31	Fortune Offshore O & M Pte Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	76.25	2(87)(ii)
32	Brio Resources Pte Ltd.	60 Paya Lebar Road, #11-05, Paya Lebar Square, Singapore 409051	NA	Subsidiary	100	2(87)(ii)
33	Marvel Value International Ltd.	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Island.	NA	Subsidiary	100	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I. Category-wise Share Holding

Sr. No	Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	**Indian**									
(a)	Individuals / Hindu Undivided Family	79,829,066	-	79,829,066	32.60	73,874,100	0	73,874,100	27.37	(5.23)
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)									-
	Bodies Corporate	18,406,250	-	18,406,250	7.52	18,406,250	0	18,406,250	6.82	(0.70)
	Sub Total (A)(1)	**98,235,316**	**-**	**98,235,316**	**40.12**	**92,280,350**	**0**	**92,280,350**	**34.19**	**(5.92)**
[2]	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	361,250	-	361,250	0.15	361,250	0	361,250	0.13	(0.02)
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									-
	Sub Total (A)(2)	**361,250**	**-**	**361,250**	**0.15**	**361,250**	**0**	**361,250**	**0.13**	**(0.02)**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**98,596,566**	**-**	**98,596,566**	**40.27**	**92,641,600**	**0**	**92,641,600**	**34.32**	**(5.95)**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	2,140	75,000	77,140	0.03	100,000	75000	175,000	0.06	0.03
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-

Sr. No	Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e)	Foreign Portfolio Investor	34,381,710	5,000	34,386,710	14.04	38,057,961	5,000	38,062,961	14.10	0.06
(f)	Financial Institutions / Banks	1,670,576	-	1,670,576	0.68	2,325,058	0	2,325,058	0.86	0.18
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)									
	Foreign Venture Capital					100,000	0	100,000	0.04	0.04
	Sub Total (B)(1)	**36,054,426**	**80,000**	**36,134,426**	**14.75**	**40,583,019**	**80,000**	**40,663,019**	**15.06**	**0.31**
[2]	**Central Government/ State Government(s)/ President of India**									
	Central Government / State Government(s)	2,500	-	2,500	0.00	3,400	0	3,400	0.00	0
	Sub Total (B)(2)	**2,500**	**-**	**2,500**	**0.00**	**3,400**	**0**	**3,400**	**0.00**	**0**
[3]	**Non-Institutions**									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	64,035,500	2,202,687	66,238,187	27.05	62,124,214	2,164,687	64,288,901	23.82	(3.23)
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	10,247,383	-	10,247,383	4.18	16,940,813	0	16,940,813	6.28	2.10
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	Trusts	4,525	-	4,525	0.00	-	-	-	-	(0.00)
	Foreign Nationals	350	-	350	0.00	1,500	0	1,500	0.00	0.00
	Hindu Undivided Family	3,993,724	-	3,993,724	1.63	4,787,204	0	4,787,204	1.77	0.14
	Non-Resident Indians (Non Repat)	580,758	-	580,758	0.24	755,224	0	755,224	0.28	0.04
	Non-Resident Indians (Repat)	2,509,148	96,500	2,605,648	1.06	2,879,422	71,500	2,950,922	1.09	0.03
	Office Bearers	197,350	-	197,350	0.08	47,150	0	47,150	0.02	(0.06)
	Clearing Member	4,109,745	-	4,109,745	1.68	5,083,842	0	5,083,842	1.88	0.20
	Bodies Corporate	22,151,411	29,500	22,180,911	9.06	39,931,498	29,500	39,960,998	14.81	5.75
	Foreign Portfolio Investor (Individual)	-	-	-	-	1,767,500	0	1,767,500	0.65	0.65
	Sub Total (B)(3)	**107,829,894**	**2,328,687**	**110,158,581**	**44.98**	**134,318,367**	**2,265,687**	**136,584,054**	**50.60**	**5.62**
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**143,886,820**	**2,408,687**	**146,295,507**	**59.73**	**174,904,786**	**2,345,687**	**177,250,473**	**65.66**	**16.49**
	Total (A)+(B)	**242,483,386**	**2,408,687**	**244,892,073**	**100.00**	**267,546,386**	**2,345,687**	**269,892,073**	**100.00**	**-**
(C)	**Non-Promoter - Non Public**									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**242,483,386**	**2,408,687**	**244,892,073**	**100.00**	**267,546,386**	**2,345,687**	**269,892,073**	**100.00**	**-**

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2016)			Shareholding at the end of the year (31/03/2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. H. K. Mittal	46,766,700	19.10	-	46,766,700	17.33	35.24	-
2	Mrs. Archana Mittal	26,327,400	10.75	-	2,70,27,400	10.01	15.17	-
3	AHM Investments Pvt Ltd	18,406,250	7.52	-	18,406,250	6.82	5.98	-
4	Mr. Shalabh Mittal	361,250	0.15	-	361,250	0.13	-	-
5	Mr. Adip Mittal	80,000	0.03	-	80,000	0.03	-	-
6	Mr. Atul Agarwal	5,460,966	2.23	-	0	-	-	(2.23)
7	Mrs. Manjuli Agarwal	559,000	0.23	-	0	-	-	(0.23)
8	Mr. Aayush Atul Agarwal	317,500	0.13	-	0	-	-	(0.13)
9	Ms. Arooshi Atul Agarwal	317,500	0.13	-	0	-	-	(0.13)

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16) / end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Atul Agarwal	5,460,966	2.23	01/04/16				
				30/09/16	5,460,966	Sale	Nil	-
		Nil	-	31/03/17				
2	Mrs. Manjuli Agarwal	559,000	0.23	01/04/16				
				07/10/16	539,034	Sale	19,966	0.01
				25/11/16	19,966	Sale	Nil	
		Nil	-	31/03/17				
3	Mr. Aayush Atul Agarwal	317,500	0.13	01/04/16				
				02/12/16	142,500	Sale	175,000	0.07
				09/12/16	3,793	Sale	171,207	0.07
				16/12/16	72,000	Sale	99,207	0.04
				23/12/16	39,207	Sale	60,000	0.02
				30/12/16	15,000	Sale	45,000	0.02
				06/01/17	35,000	Sale	10,000	0.01
				24/02/17	2,500	Sale	7,500	0.01
				03/03/17	7,500	Sale	Nil	
		Nil	-	31/03/17				
4.	Ms. Arooshi Atul Agarwal	317,500	0.13					
				02/12/16	142,500	Sale	175,000	0.07
				09/12/16	5,000	Sale	170,000	0.07
				16/12/16	100,000	Sale	70,000	0.03
				23/12/16	10,000	Sale	60,000	0.02
				30/12/16	10,000	Sale	50,000	0.02
				06/01/17	25,779	Sale	24,221	0.01
				24/02/17	24,221	Sale	Nil	-
		Nil	-	31/03/17				

iv. Shareholding Pattern of top ten Shareholders (Other than Directors Promoters and Holders of GDRs and ADRs):

Sl No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16) / end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	GOVERNMENT OF SINGAPORE	0		01/04/16				
				14/10/16	6086093	Transfer	6086093	2.25
				21/10/16	7355445	Transfer	13441538	4.98
				03/02/17	1925302	Transfer	15366840	5.69
		15366840	5.69	31/03/17			15366840	5.69
2	KITARA PIIN 1101	0		01/04/16				
				30/12/16	8159363	Transfer	8159363	3.02
		8159363	3.02	31/03/17			8159363	3.02
3	MENTOR CAPITAL LIMITED	203334	0.08	01/04/16				
				20/05/16	25000	Transfer	228334	0.08
				03/06/16	200000	Transfer	428334	0.16
				10/06/16	120841	Transfer	549175	0.2
				17/06/16	801499	Transfer	1350674	0.5
				24/06/16	336281	Transfer	1686955	0.63
				30/06/16	173168	Transfer	1860123	0.69
				01/07/16	71404	Transfer	1931527	0.72
				08/07/16	40606	Transfer	1972133	0.73
				15/07/16	317200	Transfer	2289333	0.85
				22/07/16	-81	Transfer	2289252	0.85
				29/07/16	-1039434	Transfer	1249818	0.46
				05/08/16	-400000	Transfer	1209818	0.45
				12/08/16	-10126	Transfer	1199692	0.44
				19/08/16	-479	Transfer	1199213	0.44
				26/08/16	186829	Transfer	1386042	0.51
				02/09/16	476605	Transfer	1862647	0.69
				09/09/16	30000	Transfer	1892647	0.7
				23/09/16	62428	Transfer	1955075	0.72
				30/09/16	58500	Transfer	2013575	0.75
				07/10/16	92345	Transfer	2105920	0.78
				14/10/16	705444	Transfer	2811364	1.04
				21/10/16	356702	Transfer	3168066	1.17
				28/10/16	49862	Transfer	3217928	1.19
				04/11/16	9999	Transfer	3227927	1.2
				11/11/16	207439	Transfer	3435366	1.27
				25/11/16	47689	Transfer	3483055	1.29
				02/12/16	417284	Transfer	3900339	1.45
				09/12/16	-323686	Transfer	3576653	1.33
				16/12/16	33107	Transfer	3609760	1.34
				23/12/16	-2886	Transfer	3606874	1.34
				30/12/16	63953	Transfer	3670827	1.36
				06/01/17	-52462	Transfer	3618365	1.34
				13/01/17	-72373	Transfer	3545992	1.31
				20/01/17	-194585	Transfer	3351407	1.24
				27/01/17	183875	Transfer	3535282	1.31
				03/02/17	2424718	Transfer	5960000	2.21
				10/02/17	-15936	Transfer	5944064	2.2
				17/02/17	-140195	Transfer	5803869	2.15
				24/02/17	-16204	Transfer	5787665	2.14
				17/03/17	-10000	Transfer	5777665	2.14
				24/03/17	-52500	Transfer	5725165	2.12
				31/03/17	35000	Transfer	5760165	2.13
		5760165	2.13	31/03/17			5760165	2.13

Sl No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16) / end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	MONETARY AUTHORITY OF SINGAPORE	0	0	01/04/16				
				14/10/16	2188178	Transfer	2188178	0.81
				21/10/16	2644555	Transfer	4832733	1.79
				03/02/17	707622	Transfer	5540355	2.05
		5540355	2.05	31/03/17			5540355	2.05
5	LKP FINANCE LIMITED	2471000	0.92	01/04/16				
				22/04/16	-14000	Transfer	2457000	0.91
				29/04/16	-21000	Transfer	2436000	0.9
				10/06/16	20200	Transfer	2456200	0.91
				30/06/16	10000	Transfer	2466200	0.91
				15/07/16	-10000	Transfer	2456200	0.91
				17/02/17	265000	Transfer	2721200	1
				31/03/17	2025000	Transfer	4746200	1.76
		4746200	1.76	31/03/17			4746200	1.76
6	TALMA CHEMICAL INDUSTRIES PVT LTD	400218	0.15	01/04/16				
				03/02/17	1200000	Transfer	1600218	0.59
				17/02/17	600000	Transfer	2200218	0.82
		2200218	0.82	31/03/17			2200218	0.82
7	LATA BHANSHALI	1246342	0.46	01/04/16				
				07/10/16	-1000000	Transfer	246342	0.09
				03/02/17	1200000	Transfer	1446342	0.54
		1446342	0.54	31/03/17			-	-
8	AXIS BANK LIMITED	1349912	0.48	01/04/16				
				01/04/16	62000	Transfer	1411912	0.52
				08/04/16	-8730	Transfer	1403182	0.52
				15/04/16	-205750	Transfer	1197432	0.44
				22/04/16	-1427	Transfer	1196005	0.44
				29/04/16	-14640	Transfer	1181365	0.44
				06/05/16	-17820	Transfer	1163545	0.43
				13/05/16	3000	Transfer	1166545	0.43
				20/05/16	-2500	Transfer	1164045	0.43
				27/05/16	-3000	Transfer	1161045	0.43
				10/06/16	-215970	Transfer	945075	0.35
				17/06/16	-100000	Transfer	845075	0.31
				24/06/16	-778200	Transfer	66875	0.02
				30/06/16	-41000	Transfer	25875	0.01
				08/07/16	-9000	Transfer	16875	0.01
				22/07/16	-5500	Transfer	11375	0.00
				29/07/16	-1000	Transfer	10375	0.00
				19/08/16	53710	Transfer	64085	0.02
				26/08/16	-14460	Transfer	49625	0.02
				02/09/16	-25230	Transfer	24395	0.01
				09/09/16	2105	Transfer	26500	0.01
				16/09/16	2336	Transfer	28836	0.01
				23/09/16	3292	Transfer	32128	0.01
				30/09/16	12303	Transfer	44431	0.02
				07/10/16	28070	Transfer	72501	0.03
				14/10/16	-2000	Transfer	70501	0.03
				21/10/16	4636	Transfer	75137	0.03
				28 /10/16	8921	Transfer	84058	0.03
				04/11/16	-31710	Transfer	52348	0.02
				11/11/16	-23373	Transfer	28975	0.01
				02/12/16	48000	Transfer	76975	0.03
				16/12/16	-1000	Transfer	75975	0.03

Sl No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16) / end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				23/12/16	3155	Transfer	79130	0.03
				30/12/16	-23555	Transfer	55575	0.02
				06/01/17	-7000	Transfer	48575	0.02
				13/01/17	107500	Transfer	156075	0.06
				20/01/17	5000	Transfer	161075	0.06
				27/01/17	-1200	Transfer	159875	0.06
				03/02/17	2008000	Transfer	2167875	0.80
				10/02/17	-430201	Transfer	1737674	0.64
				17/02/17	-183300	Transfer	1554374	0.58
				24/02/17	4822	Transfer	1559196	0.58
				03/03/17	-15180	Transfer	1544016	0.57
				10/03/17	54880	Transfer	1598896	0.59
				17/03/17	-2150	Transfer	1596746	0.59
				24/03/17	-46875	Transfer	1549871	0.57
				31/03/17	-206980	Transfer	1342891	0.50
		1342891	0.50	31/03/17			1342891	0.50
9	LKP FINANCE LIMITED	1230000	0.46	01/04/16				
				29/07/16	-100000	Transfer	1130000	0.42
				30/09/16	1270942	Transfer	2400942	0.89
				18/11/16	-200000	Transfer	2200942	0.82
				17/02/17	-265000	Transfer	1935942	0.72
				31/03/17	-825000	Transfer	1110942	0.41
		1110942	0.41	31/03/17			1110942	0.41
10	TEAM INDIA MANAGERS LTD	1335000	0.49	01/04/16				
				08/04/16	-75000	Transfer	1260000	0.47
				15/04/16	-160000	Transfer	1100000	0.41
				22/04/16	-40000	Transfer	1060000	0.39
				29/04/16	100000	Transfer	1160000	0.43
				06/05/16	400000	Transfer	1560000	0.58
				13/05/16	-280000	Transfer	1280000	0.47
				27/05/16	280000	Transfer	1560000	0.58
				24/06/16	-300000	Transfer	1260000	0.47
				30/06/16	300000	Transfer	1560000	0.58
				08/07/16	-95000	Transfer	1465000	0.54
				15/07/16	-100000	Transfer	1365000	0.51
				22/07/16	-175150	Transfer	1189850	0.44
				29/07/16	-224850	Transfer	965000	0.36
				05/08/16	-25000	Transfer	940000	0.35
				07/10/16	-175000	Transfer	765000	0.28
				28/10/16	-10398	Transfer	754602	0.28
				04/11/16	-2011	Transfer	752591	0.28
				18/11/16	-154493	Transfer	598098	0.22
				09/12/16	-14233	Transfer	583865	0.22
				10/02/17	-40000	Transfer	543865	0.2
				17/02/17	-25000	Transfer	518865	0.19
				24/02/17	-20000	Transfer	498865	0.18
				10/03/17	-106130	Transfer	392735	0.14
				24/03/17	-5000	Transfer	387735	0.14
		387735	0.14	31/03/17			387735	

Sl No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16) / end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
11	ALBULA INVESTMENT FUND LTD	12436005	5.08	01/04/16				
				22/04/16	-100000	Transfer	12336005	4.57
				29/04/16	-884592	Transfer	11451413	4.24
				14/10/16	-10000000	Transfer	1451413	0.54
				02/12/16	-100000	Transfer	1351413	0.50
				03/02/17	-1120469	Transfer	230944	0.09
				10/02/17	-126124	Transfer	104820	0.04
				03/03/17	-104820	Transfer	0	0
		Nil	-	31/03/17				
12	INDIA MAX INVESTMENT FUND LIMITED	1100000	0.45	01/04/16				
				24/03/17	-1100000	Transfer	0	0
		Nil	-	31/03/17				

v. Shareholding of Directors and Key Managerial Personnel:

Sl No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16) / end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. H. K. Mittal	46766700	19.10	01/04/16				
		46766700	17.33	31/03/17			46766700	17.33
2	Mr. Atul Agarwal (upto 30.09.2016)	5460966	2.23	01/04/16	0			
				30/09/16	5460966	Sale	Nil	-
		Nil	-	31/03/17				
3	Mr. Shalabh Mittal	361250	0.15	01/04/16	0	NA		
		361250	0.13	31/03/17			361250	0.13
4	Mrs. Archana Mittal	26327400	10.75	01/04/16	0			
				29/04/16	500000	Purchase	26827400	10.95
				06/05/16	200000	Purchase	27027400	11.04
		27027400	10.01	31/03/17				
5	Mr. K R Bharat (upto 30.11.2016)	0	0	01/04/16	0	NA		
		0	0	31/03/17			0	0
6	Mr. M. M. Agrawal	0	0	01/04/16	0	NA		
		0	0	31/03/17			0	0
7	Mr. Gunender Kapur	0	0	01/04/16	0	NA		
		0	0	31/03/17			0	0

Sl No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16) / end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
8	Mr. Desh Raj Dogra (w.e.f. 15.02.2017)	0	0	01/04/16	0	NA		
		0	0	31/03/17			0	0
9	Mr. Prasad Patwardhan (Upto 29.05.2019)	200	0.00	01/04/15	0	NA		
		200	0.00	31/03/16			200	0.00
10	Mr. Deepesh Joishar (Upto 28.02.2017)	0	0	01/04/16	0	NA		
		0	0	31/03/17			0	0
11	Mr. Prem Rajani (From 01.12.2016 to 10.01.2017)	0	0	01/04/16	0	NA		
		0	0	31/03/17			0	0
12	Mr. Kishore Shah (upto 12.11.2016)	0	0	01/04/16	0	NA	0	0
		0	0	31/03/17	0		0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	85521.63	8487.43	-	94306.07
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	1437.66	0.00	-	1437.66
Total (i+ii+iii)	**86959.29**	**8784.43**	**-**	**95743.73**
Change in Indebtedness during the financial year				
* Addition	27648.96	280.00	-	27928.96
* Reduction	(30613.12)	0.00	-	(30613.12)
Net Change	(2964.16)	280.00	-	(2684.15)
Indebtedness at the end of the financial year				
i) Principal Amount	83995.14	9064.44		93059.57
ii) Interest due but not paid				
iii) Interest accrued but not due	1229.20			1229.20
Total (i+ii+iii)	**85224.34**	**9064.44**		**94288.77**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director Whole-time Directors and/or Manager:

(₹ In lakhs)

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. H. K. Mittal	Mr. Atul Agarwal (upto 30/09/2016)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961	67.97	30.00	97.97
	(b) Value of perquisites u/s 17(2) Income-tax Act 1961	4.03	6.00	10.03
	(c) Profits in lieu of salary under section 17(3) Income-tax Act 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others please specify	-	-	-
	Total (A)	**72.00**	**36.00***	**108.00**
	Ceiling as per the Act	₹ 120 lakhs plus 0.01% of the effective capital in excess of ₹ 250 crores as per Schedule V of the Act (the said limit is double if special resolution is passed)		

(Note* - remuneration includes full and final settlement)

B. Remuneration to other directors

(₹ In lakhs)

Sl No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. M. M. Agrawal	Mr. K. R. Bharat (upto 30.11.2016)	Mr. Gunender Kapur	Mr. Desh Raj Dogra (w.e.f. 15.02.2017)	Mr. Prem Rajani (01/12/2016 to 10.01.2017)	Mrs. Archana Mittal	
1	Independent Directors							
	Fee for attending board committee meetings	7.50	2.00	6.50	-	0.50	-	16.50
	Commission	-	-	-	-	-	-	-
	Others please specify	-	-	-	-	-	-	-
	Total (1)	**7.50**	**2.00**	**6.50**	**-**	**0.50**	**-**	**16.50**
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	-	3.00	3.00
	Commission	-	-	-	-	-	-	-
	Others please specify	-	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**3.00**	**3.00**
	Total (B)=(1+2)	**7.50**	**2.00**	**6.50**	**-**	**0.50**	**3.00**	**19.50**
	Total Managerial Remuneration	NIL						
	Overall Ceiling as per the Act	The Company has paid only sitting fees to Non-Executive Directors which is below the ceiling of ₹ 1,00,000/- per meeting as prescribed under the Companies Act, 2013.						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ In lakhs)

Sl No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Group CFO Mr. Kishor Shah (up to 12.11.2016)	CFO Mr. Prasad Patwardhan	CEO Mr. Shalabh Mittal	Mr. Deepesh Joishar (utpo to 28.02.2017)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961	148.44	78.66	-	8.19	235.29
	(b) Value of perquisites u/s 17(2) Income-tax Act 1961	0.24	-	-	-	0.24
	(c) Profits in lieu of salary under section 17(3) Income-tax Act 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission			-		
	- as percentage of profit	-	-	-	-	-
	others specify...	-	-	-	-	-
5	Others please specify	-	-	-	-	-
	Total	**148.68**	**78.66**	**-**	**8.19**	**235.53**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made if any (give Details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

Annexure V

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

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 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 Listing Agreement (as amended).

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 policy-making 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, self-assuredness, 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 Agreement.

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 “Annexure A”.

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

Report on Corporate Governance

(Forming part of Directors' Report for the year ended on March 31, 2017)

COMPANY'S PHILOSOPHY:

The Company strongly believes in ethical way of conducting business and in maintaining the highest standards of corporate governance. Corporate Governance is practiced at all levels of the Company and not restricted only to the Board of Directors. The Company upholds its relationship with the society and its social responsibility for environmental safety and human welfare.

Corporate governance to the company is not just a compliance issue but central guiding principle for everything it does. It's a way of thinking, way of conducting business and a way to steer the organization to take on challenges for now and for the future. 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.

I. BOARD OF DIRECTORS:

As at the year end March 31, 2017, the Board of Directors of the Company comprised of Five Directors; One Executive Director and Four Non-Executive Directors, out of which Three are Independent Directors and One is Non-Executive Woman Director. 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. The Company has issued letter of appointment to all the Independent Directors as per Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on its website.

http://mercator.in/about/index.aspx?id=7002

Changes in Board Composition during the year:

During the year, Mr. Atul Agarwal (DIN: 00007663) Executive Vice Chairman and Mr. K. R. Bharat (DIN:00584367) an Independent Director, resigned from the office of Directors of the Company w.e.f. September 30, 2016 and November 30, 2016 respectively. Mr. Prem Rajani (DIN:00062833), who was appointed as an Additional Director (Independent Director) w.e.f. December 1, 2016, resigned from the office of Director of the Company on January 10, 2017. Thereafter, Mr. Desh Raj Dogra (DIN:00226775) was appointed as an Additional Director (Independent Director) w.e.f. February 15, 2017 to hold office upto the date of ensuing Annual General Meeting of the Company.

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.

During the year, in all Six Board Meetings were held i.e. on May 27, 2016, July 29, 2016, November 23, 2016, December 9, 2016, February 11, 2017 and March 27, 2017. The time interval between any two consecutive meetings was not more than 120 days.

The details of Directors and their attendance record at Board Meetings held during the year, at last Annual General Meeting and number of other Directorships and Chairmanships / membership of Committees are given below:

Sr. No	Name of Director & DIN	Category	No. of Board Meetings Attended out of six held	Attendance at last AGM	No. of other Directorships in Indian Public Companies*	No. of committee membership in other Companies**	No. of committee Chairmanship in other Companies**
1	Mr. H. K. Mittal (DIN: 00007690)	Executive Chairman & Promoter	6	Yes	4	0	0
2	Mr. Atul Agarwal (DIN: 00007663) (upto 30.09.2016)	Executive Vice Chairman & Promoter	2	Yes	0	0	0
3	Mr. K. R. Bharat (DIN: 00584367) (upto 30.11.2016)	Non-Executive Independent	2	Yes	3	2	0
4	Mr. M. M. Agrawal (DIN: 00681433)	Non-Executive Independent	6	Yes	4	3	1
5	Mr. Gunender Kapur (DIN: 01927304)	Non-Executive Independent	5	Yes	0	0	0
6	Mrs. Archana Mittal (DIN: 00007972)	Non-Executive Non Independent	5	Yes	4	0	0

Sr. No	Name of Director & DIN	Category	No. of Board Meetings Attended out of six held	Attendance at last AGM	No. of other Directorships in Indian Public Companies*	No. of committee membership in other Companies**	No. of committee Chairmanship in other Companies**
7	Mr. Prem Rajani (DIN:00062833) (01.12.2016 to 10.01.2017)	Non- Executive Independent	1	No	3	0	0
8	Mr. Desh Raj Dogra (DIN:00226775) (w.e.f.15.02.2017)	Non- Executive Independent	0	No	8	3	1

*Other directorships does not include One Person Company, Private Companies, Companies registered u/s 8 of the Companies Act, 2013, Alternate directorships and foreign Companies.

**In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships / Chairmanships of only the Audit Committees and Stakeholders' Relationship Committees of all Public Limited Companies have been considered.

All the information required to be furnished to the Board as mentioned under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation) was placed before the Board.

Your Company's Board plays an important role in ensuring good governance and functioning of the Company. The Board consists of professionals from diverse fields who have vast experience in their respective areas. The Board's role, functions, responsibility are clearly defined. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the meeting with the permission of the Chairman. The Board reviews periodical compliance reports of all laws applicable to the Company, presented by Chief Executive Officer or Managing Director at the meeting.

Independent Directors' Meeting:

During the year, a separate meeting of the Independent Directors was held on March 27, 2017, without the attendance of non-independent directors and members of the management. Majority of Independent Directors were present at the meeting.

Familiarisation Programme:

The Company has a familiarisation programme for Independent Directors to keep them familiarised and updated about the business and the operations of the Company and the same is available on the website of the Company.

http://mercator.in/investors/index.aspx?id=7055

Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company, which has been posted on the website of the Company.

http://mercator.in/investors/index.aspx?id=7055

The said Code of Conduct also incorporated the duties of independent directors as laid down in the Companies Act, 2013.

All Board Members and Senior Management Personnel have affirmed compliance with the code for the year ended on March 31, 2017. Declaration to this effect signed by the Chief Executive Officer for the year ended on March 31, 2017 has been included elsewhere in this annual report.

II. AUDIT COMMITTEE:

Composition:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with relevant rules and the Listing Regulations, the Company has a qualified and Independent Audit Committee. Mr. Manohar Bidaye tendered his resignation on March 31, 2016, Mr. M. M. Agrawal was appointed Chairman of the Committee vide Circular resolution passed on April 1, 2016. The Board of Directors through circular resolution dated May 12, 2016 reconstituted the committee by appointing Mr. Gunender Kapur (DIN: 01927304) as member. Mr. K. R. Bharat (DIN: 00584367) ceased to be the member of the committee due to resigning from the office of Director of the Company w.e.f. November 30, 2016. As at March 31, 2017, the Committee comprised of two Independent Non-Executive Directors and one Executive Promoter Director. Mr. M. M. Agrawal (DIN: 00681433), Bachelor of Engineering and having vast experience in Banking and Finance Industry is the Chairman of the Committee; other members being Mr. H. K. Mittal (DIN:00007690), Master from Indian Institute of Technology-Roorkee, Executive Chairman of the Company; and Mr. Gunender Kapur (DIN: 01927304), Mechanical Engineer (BITS- Pilani) and MBA (FMS Delhi University), all having a sound accounting knowledge. Chief Financial Officer as well as General Manager (Finance & Accounts) along with the Internal Auditors and Statutory Auditors are invitees to the Audit Committee Meetings. All other Functional Heads/Managers are invited to attend the meeting, as and when necessary. The Committee is vested, inter alia, with following powers and terms of references as prescribed under relevant provisions of the Companies

Act, including the rules made there under, and Listing Regulations.

The Audit committee is vested with following Powers:

a) To investigate any activity within its terms of reference.

b) To seek information from any employee.

c) To obtain outside legal or other professional advice.

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of Reference:

The Audit Committee reviews the reports of the Internal Auditors and the Statutory Auditors periodically and discusses their findings and suggests the corrective measures.

The role of the Audit Committee is as follows: -

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 (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) 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.

Meetings:

During the year, in all 5 meetings of the Audit Committee were held i.e. on May 27, 2016, July 29, 2016, November 23, 2016, December 9, 2016 and February 11, 2017. The time intervals between two meetings of the Committee were not more than 120 days.

Attendance of each member at the Audit Committee Meetings:

Name of Director	No. of Meetings attended out of Five held
Mr. K. R. Bharat (DIN: 00584367) (upto 30.11.2016)	2
Mr. H. K. Mittal (DIN: 00007690)	5
Mr. M M Agrawal (DIN: 00681433)	5
Mr. Gunender Kapur (DIN: 01927304) (w.e.f.12.05.2016)	4

Statutory Auditors, Internal Auditors, Chief Financial Officer and Other functional heads attended the meetings as and when called for. The Company Secretary acted as the Secretary to the Committee.

Mr. M. M. Agrawal (DIN: 00681433), Chairman of the Committee was present at the 32nd Annual General Meeting to reply to the Queries of the Shareholders.

Review of Information:

The Audit Committee was presented with necessary information from time to time for its review as required under the Listing Regulation and Section 177 of the Companies Act, 2013.

There was no instance of management letter/letter of internal control weaknesses issued by the Statutory Auditors during the year under review.

III. NOMINATION AND REMUNERATION COMMITTEE:-

Composition:

During the year, the Board of Directors reconstituted the Nomination and Remuneration Committee for 4 times i.e. on April 1, 2016, by appointing Mr. K R Bharat (DIN: 00584367) as Chairman of the Committee and Mrs. Archana Mittal (DIN:00007972)as Member Further on May 25, 2016 Mr. Gunender Kapur was appointed as the member of the committee. Mr. K. R. Bharat (DIN: 00584367) ceased to be the member of the committee due to resignation from the office of Director of the Company w.e.f. November 30, 2016. Hence, the Committee was reconstituted on December 9, 2016, appointing Mr. Prem Rajani (DIN:00062833) as Chairman and Member of the Committee. Thereafter due to resignation of Mr. Prem Rajani (DIN:00062833) from the office of Director of the Company, the Committee was reconstituted on January 10, 2017 and Mr. Gunender Kapur was appointed as Chairman of the Committee.

As at March 31, 2017, the Committee comprised of Two Non-Executive Independent Directors, One Non-Executive Director and One Executive Director. Mr. Gunender Kapur (DIN: 01927304), is the Chairman of the Committee with Mr. M. M. Agrawal (DIN: 00681433) Mr. H. K. Mittal(DIN: 00007690),and Mrs. Archana Mittal(DIN:00007972) being other members. Mr. K R Bharat (DIN: 00584367), Chairman of the Committee as on March 31, 2016 was present at the 32nd Annual General Meeting held on July 30, 2016 to reply to the Queries of the Shareholders.

Terms of Reference:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulation the role of the Nomination and Remuneration Committee includes the following:

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director;
2. Identification of persons who are qualified to become Directors and who may be appointed in senior management; recommend to the Board their appointment and removal;
3. Formulation of criteria for evaluation of Independent Directors and Board of Directors;
4. Formulation of Remuneration policy and recommend the same to the Board, relating to the remuneration for the directors, key managerial personnel and other employees ensuring the following:
   (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
   (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
5. Devising a policy on Board diversity;
6. Such other functions / powers as may be assigned / referred to the Committee by Board from time to time.

Remuneration Policy:

Pursuant to the Provisions of Section 178 of the Companies Act, 2013, the Company has 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

Meetings:

During the year, in all 2 meetings of the Nomination and Remuneration Committee were held i.e. on May 27, 2016, and March 27, 2017 and necessary quorum was present at the meeting.

Attendance of each member at the Nomination and Remuneration Committee Meetings:

Name of Director	No. of Meetings attended out of Two held
Mr. M.M. Agrawal (DIN: 00681433)	2
Mr. K. R. Bharat (DIN: 00584367) (upto 30.11.2016)	0
Mr. H. K. Mittal (DIN: 00007690)	2
Mrs. Archana Mittal (DIN:00007972)	1
Mr. Gunender Kapur (DIN: 01927304) (w.e.f.25.05.2017)	2
Mr. Prem Rajani (DIN:00062833) (01.12.2016 to 10.01.2017)	N.A.

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee was reconstituted on April 1, 2016 and appointed Mr. K R Bharat (DIN: 00584367) as Chairman and Mrs. Archana Mittal (DIN:00007972) as Member of the Committee w.e.f March 31, 2016. Mr. Atul Agarwal (DIN: 00007663) ceased to be the member of the committee due to resignation from the office of Director of the Company w.e.f. September 30, 2016. Pursuant to resignation of Mr. K. R. Bharat (DIN: 00584367) from the office of Director on November 30, 2016, he also ceased to be member of the Committee. The Board of Directors in its meeting held on December 09, 2016, appointed Mr. M. M. Agrawal (DIN: 00681433) as the Chairman and Mr. H. K. Mittal (DIN: 00007690) as Member of the Committee.

As at March 31, 2017, the Committee comprises of one Executive Director and two Non-Executive Directors to look after share transfer and other related matters, including the shareholders' grievances. Mr. M. M. Agrawal (DIN: 00681433), is the Chairman of the Committee with the other members being, Mr. H. K. Mittal (DIN: 00007690) and Mrs. Archana Mittal (DIN:00007972). The Committee normally meets fortnightly. Authority to deal with Investor Grievance and other allied matters has been delegated to Registrar and Transfer Agent and Compliance officer of the Company. The terms of reference of the Committee are as under:

1. To approve or deal with applications for transfer/ transmission; dematerialisation/ rematerialisation of shares, issue of duplicate / split / sub-division / consolidation of certificates and to deal with all related matters.
2. To look into and redress shareholders / investors grievances relating to:
   (a) Transfer of shares;
   (b) Non-receipt of declared dividends;
   (c) Non-receipt of annual reports;
   (d) All such complaints directly concerning the shareholders / investors as stakeholders of the Company; and
   (e) Any such matters that may be considered necessary in relation to shareholders and investors of the Company.

24 Meetings of the Committee were held during the year. All the members attended all the meetings.

Mr. Deepesh Joishar (upto February 28, 2017) and Mr. Deepak Dalvi- Assistant General Manager – Secretarial acted as Compliance Officers.

During the year, the Company received 3 complaints from the members all of which were duly resolved. No complaint was pending as on March 31, 2017.

Further, during the year requests for Transfer of 1,500 shares; Transfer(Exchange) of 200 shares, and Demat of 63,000 shares were received and processed.

V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As at March 31, 2017, The Corporate Social Responsibility Committee of the Company comprises of three Directors. Mr. H. K. Mittal (DIN: 00007690) as its Chairman with Mr. Gunender Kapur (DIN: 01927304) and Mr. M. M. Agrawal (DIN: 00681433) being other members.

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. During the year, the Committee met on March 27, 2017 which was attended by all members.

VI. RISK MANAGEMENT COMMITTEE:

As at March 31, 2017, the Risk Management Committee comprises of Mr.Gunender Kapur (DIN: 01927304), who is the Chairman of the Committee and other members being Mr. M. M. Agrawal (DIN: 00681433), Independent Director, Capt. Kowshik Kuchroo, President Shipping 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.

VII. SUBSIDIARY COMPANIES:

As at March 31, 2017; the Company had total 33 subsidiaries. The Indian Subsidiaries viz. Mercator Oil and Gas Limited, Mercator Petroleum Limited, Oorja Resources India Private Limited and Mercator FPSO Private Limited were neither listed nor material as at March 31, 2017.

MCS Holdings Pte. Ltd. is material non-listed foreign subsidiary of the Company.

During the year, the Company has not disposed any shares that reduces shareholding to less than 50% or ceases the exercise of control over any of these subsidiaries other than Ivorene Oil Services Nigeria Ltd.. One of the subsidiary viz. Mercator Global Pte. Ltd., was voluntarily wound up without commencing any commercial activity. Mercator Projects Pte Ltd., Mercator Okwok FPU Pte Ltd, Mercator Okoro FPU Pte Ltd. were put under liquidation by Creditors. Further the Company has not sold, disposed or leased the assets amounting to more than twenty percent of the assets of these subsidiaries other than Floating Production Unit held by Mercator Offshore (P) Pte. Ltd. as approved by the shareholders vide special resolution passed through postal ballat on January 13, 2017. RDPT Batavia Drill ceased to be subsidiary during the year.

The Audit Committee reviews the financial statements including investments, of all the subsidiary companies from time to time.

The Minutes/resolutions of the Board Meetings of all the subsidiary companies (including step down subsidiary companies) are placed before the Board periodically for noting and taking on record.

The Board periodically reviews a statement of all significant transactions, if any, entered into by any of the subsidiary companies.

The Company has formulated a policy for determining "Material Subsidiaries", and the same is available on the website of the Company.

http://mercator.in/investors/index.aspx?id=7055

IX. DISCLOSURES:

A. Basis of related party transactions:

i. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee.

ii. At the beginning of every financial year, proposal for omnibus approval is placed before the Audit Committee for related party transactions with necessary details in compliance with relevant provisions of the Listing Regulation. All related party transactions were within prescribed limit and as per the Related Party Transaction Policy of the Company.

iii. Details of material individual transaction with related parties are placed before the Audit Committee, whenever applicable.

iv. During the year, there was no material individual transaction with related parties or others which was neither in ordinary course of business nor on an arm's length basis.

B. Disclosure of Accounting Treatment:

The Company had adopted Indian Accounting Standards (Ind-AS) from the transition date of April 1, 2015. Accordingly, the annual accounts for the year ended March 31, 2017 were prepared in accordance with the recognition and measurement principles laid down in Ind-AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013. The statements for year ended March 31, 2016 were also restated as per Ind AS.

C. Proceeds from public issues, rights issues, preferential issues etc.

During the year, the Company raised fund through qualified institutional placement by way of issue and allotment of 2,50,00,000 equity shares of ₹ 1/- each at a premium of ₹ 39.75 aggregating to ₹ 101.86 cr. Besides this; the Company did not raise any funds through public / rights issues.

D. Remuneration of Directors:

The Nomination and Remuneration Committee recommends the Remuneration of Directors, which is approved by the Board of Directors, subject to the approval of members, wherever necessary.

Details of remuneration paid to Directors for the financial year ended March 31, 2017:

Executive Directors:

Amount ₹ in lakhs

Name	Salary	Bonus	Stock options	Perquisites	Commission	Total
Mr. H. K. Mittal Executive Chairman (DIN: 00007690)	67.97	-	-	4.03	-	72.00
Mr. Atul Agarwal Executive Vice Chairman (DIN: 00007663) (Upto 30.09.2016)	30.00	-	-	6.00	-	36.00

The remuneration to the Executive Directors is governed by the agreements executed with them as approved by the members of the Company in their General Meeting held on July 30, 2016. As per the agreement, salary and perquisites are a fixed component and the commission is based on the performance of the Company, i.e. on the net profit of the year. However, the aggregate remuneration shall not exceed 5% of net profit calculated as per the provisions of the Companies Act, 2013; per Executive Director with payment of minimum remuneration to them in case of loss or inadequacy of profit in any financial year during the tenure, subject however, to the ceiling prescribed under Companies Act, 2013; and approval of the Central Government, if required. The present terms and conditions of appointment agreement of Executive Chairman will expire on July 31, 2019.

The tenure of office of the Executive Chairman is for three years from his date of appointment, and can be terminated by either party by giving 6 months' notice in writing. Before the expiration of the tenure of office of Executive Chairman is entitled by way of compensation for the loss of office, the amount equivalent to the remuneration which he would have earned if he had been in the office for the unexpired residue of his term or for three years whichever is shorter, calculated on the basis of average remuneration actually earned by him during the period of three years immediately preceding the date on which he ceased to hold office or where he held the office for a lesser period than three years, during such period.

No stock options were issued to any of the Executive Directors during the year.

Non-Executive Directors:

The Board decides the payment of commission within the limits approved by members of the Company in their Annual General Meeting not exceeding 1% of its net profit to Non-executive Directors. During the year no commission was paid to the non-executive Directors of the Company.

Remuneration by way of sitting fees for attending Board meetings and Committee meetings are paid to Non-executive Directors.

Details of sitting fees paid to Non-Executive Directors during the year are as follows:

Name of Director	Amount
Mr. K.R. Bharat (DIN: 00584367) (upto 30.11.2016)	2,00,000/-
Mr. M. M Agrawal (DIN: 00681433)	7,50,000/-
Mr. Gunender Kapur (DIN: 01927304)	6,50,000/-
Mr. Prem Rajani (DIN:00062833) (01.12.2016 to 10.01.2017)	50,000/-
Mrs. Archana Mittal (DIN:00007972)	3,00,000/-
Mr. Desh Raj Dogra (DIN:00226775) (w.e.f. 15.02.2017)	NIL

All the Non-Executive Directors have disclosed their shareholdings as at March 31, 2017 to the Company which is as under:

Name of Director	No. of equity shares held	% of total share capital
Mr. M. M Agrawal (DIN: 00681433)	NIL	NIL
Mr. Gunender Kapur (DIN: 01927304)	NIL	NIL
Mrs. Archana Mittal (DIN:00007972)	2,70,27,400	10.01
Mr. Desh Raj Dogra (DIN:00226775)	NIL	NIL

No convertible instrument was held by any of the above Non-executive Directors.

The Company did not have any pecuniary relationship or transaction with any of the Non-Executive Directors.

No stock options were issued to the Non-Executive Directors during the year

E. Management:

A Management Discussion and Analysis Report forming part of this Directors' Report is attached herewith and forms part of this 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.

F. 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.

I. General Body Meetings:

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

Financial Year	Date	Time	Venue	Special Resolution(s)
2015-16 (AGM)	30/07/2016	3.00 P.M.	Rangaswar Hall, 4th Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021	1) Appointment of Mr. H. K. Mittal as Executive Chairman 2) Appointment of Mr. Atul Agarwal as Executive Vice Chairman 3) Issue of Securities upto aggregate amount not exceeding ₹ 2,000,000,000/- (Rupees Two Hundred Crore Only) or equivalent amount thereof in any other foreign currency.
2014-15 (AGM)	21/08/2015	3.00 P.M.	Rangaswar Hall, 4th Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021	NIL
2013-14 (AGM)	24/09/2014	3.00 P.M.	Rangaswar Hall, 4th Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021	1. Appointment of Mr. Aayush Agarwal (Son of Mr. Atul Agarwal, Managing Director) to hold office or place of profit in Mercator Energy Pte Ltd. a subsidiary of the Company 2. Authority to Board of Directors to issue of Non-convertible Debentures (NCDs) /Commercial paper (CPs) on private placement basis aggregating up to an amount not exceeding ₹ 500 crores. 3. Approval for payment of Commission to Non-executive Directors up to 1% of annual Net profits of the Company.

POSTAL BALLOT

During the year ended March 31, 2017 the Company completed process of one Postal Ballot as per provisions of Section 110 of the Companies Act, 2013. The voting was conducted through physical mode as well as electronic mode. For conducting postal ballot in fair and transparent manner, Mr. Haresh Jani, Practicing Company Secretary was appointed as Scrutinizer to the Postal Ballot process. All Special Resolutions were passed with requisite majority as per details given below.

I. Special resolution approving Sale of Floating Production Unit of Mercator Offshore (P) Pte Limited, a step-down subsidiary of the Company.

Resolution was approved with requisite majority.

Mode of Voting	No. of shares held	No. of votes polled	No. of Votes – in favour	% of Votes in favour on votes polled	No. of Votes – against	% of Votes against on votes polled
E-Voting	104218585	104218585	104183032	99.97	35553	0.03
Postal Ballot	116652	116652	116190	99.60	462	0.40
Total	**104335237**	**104335237**	**104299222**	**99.97**	**36015**	**0.03**

II. Ordinary resolution approving Appointment of Mr. Prem Rajani (DIN: 00062833) as an Independent Director. .

Resolution was approved with requisite majority,

Mode of Voting	No. of shares held	No. of votes polled	No. of Votes – in favour	% of Votes in favour on votes polled	No. of Votes – against	% of Votes against on votes polled
E-Voting	104195099	104195099	104174820	99.98	20279	0.02
Postal Ballot	125170	125170	112865	99.22	885	0.78
Total	**104320269**	**104320269**	**104287685**	**99.98**	**21164**	**0.02**

However, Mr. Prem Rajani (DIN: 00062833), whose appointment was proposed had already resigned from the directorship of the Company with effect from January 10, 2017 and necessary filings with MCA and Stock Exchange were done in this regard. Hence the said result of Appointment of Mr. Prem Rajani was ineffective.

Detailed results were posted on website of the Company www.mercator.in.

ii. Disclosures:

a) 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 transaction Transactions with related parties are disclosed in Note No. 4.5 of 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.

http://mercator.in/investors/index.aspx?id=7055

b) There were no instances of non-compliance and that no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter related to capital market during the past three years.

c) The Company has formulated a Vigil Mechanism / Whistle Blower Policy and the same is available on the website of the Company.

http://mercator.in/investors/index.aspx?id=7055

d) 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.

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

iii. Means of Communication:

Quarterly/yearly results are normally published in Hindu Business Line and Mumbai Lakshadweep. The audited annual accounts are posted/E-mailed to every member of the Company. Quarterly shareholding distribution and quarterly/yearly results submitted to the Stock Exchanges are posted on the website of the Company i.e. www.mercator.in. The Company also displays official news releases on its website i.e. www.mercator.in. The Company has created an email id investors@mercator.in to facilitate redressal of investors'/ shareholders' grievances.

The presentations if any, made to institutional investors/ analysts through personal meetings are also displayed on website of the Company and submitted to the Stock Exchanges simultaneously.

All price sensitive, material and relevant information from the shareholders'/investors' point of view are promptly informed to the stock exchanges.

iv. Annual General Meeting:

Thirty Third Annual General Meeting is scheduled to be held on Friday, September 15, 2017 at 3.00 pm at Rangaswar Hall, 4th Floor, Y. B. Chavan Center, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021.

v. Re-Appointment of Directors:

As per the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Archana Mittal (DIN:00007972) is liable to retire by Rotation at the forthcoming Annual General Meeting (AGM) of the Company and offered herself for reappointment.

The Executive Chairman Mr. H. K. Mittal (DIN: 00007690) and Mrs. Archana Mittal (DIN:00007972) are related to each other and hence are interested in the proposed appointment of Mrs. Archana Mittal as Non Executive Director, to the extent of permitted payments and benefits which she may get in her capacity as Director of the Company.

Brief resume of Mrs. Archana Mittal (DIN:00007972), whose re-appointment is to be considered at the

ensuing Annual General Meeting alongwith her expertise in specific functional areas and names of the Companies in which she holds Directorship, Chairmanship and membership of committees of the Board, are provided in the accompanying Notice of the ensuing Annual General Meeting scheduled to be held on September 15, 2017.

vi. Financial Calendar For The Year 2017-18 (tentative and subject to change):

First Quarter Results (June, 30)	Mid of August 2017
Mailing of Annual Reports	End of August,2017
Annual General Meeting	September, 2017
Second Quarter Results (September, 30)	Mid of November, 2017
Third Quarter Results (December, 31)	Mid of February, 2018
Fourth Quarter/ Annual Results	May, 2018.

vii. Dates of Book-Closure:

The Share Transfer Books and Register of Members of the Company will remain closed from September 9, 2017 to September 15, 2017 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares if declared, at the ensuing Annual General Meeting.

viii. Dividend:

The Board of Directors have recommended Dividend on Equity Shares of the Company at the rate of 5% i.e. ₹ 0.05 per share on 269892073 Equity Shares of Re. 1/- each for the Financial Year ended on March 31, 2017 amounting to ₹ 1.62 Crore (Inclusive of Dividend Distribution tax thereon amounting to ₹ 0.27) The Dividend if declared at the Annual general Meeting will be paid/dispatched on or after September 20, 2017.

ix. Listing Of Shares, Non-Convertible Debentures:

The Equity Shares of the Company are listed on Bombay Stock Exchange (Scrip Code 526235); National Stock Exchange (Scrip Code MERCATOR) and the annual listing fees in respect of the year 2017-2018 have been paid to the exchanges.

The monthly high-low quotations of the equity shares of the Company on Bombay Stock Exchange and National Stock Exchange during the financial year 2016-17 vis-à-vis Sensex performance of Bombay Stock Exchange is given below:

Month	BSE Share Price (₹)		NSE Share Price (₹)		SENSEX Performance	
	High	Low	High	Low	High	Low
April, 2016	29.25	21.45	29.30	21.45	26,100.54	24,523.20
May, 2016	29.75	24.55	29.80	24.50	26,837.20	25,057.93
June, 2016	38.30	27.05	38.25	27.10	27,105.41	25,911.33
July, 2016	48.05	35.45	47.90	35.45	28,240.20	27,034.14
August, 2016	53.20	41.50	53.20	41.50	28,532.25	27,627.97
September, 2016	54.55	39.20	54.60	39.35	29,077.28	27,716.78
October, 2016	52.40	45.15	52.40	45.20	28,477.65	27,488.30
November, 2016	47.50	32.90	47.50	32.95	28,029.80	25,717.93
December, 2016	43.40	38.00	43.65	37.95	26,803.76	25,753.74
January, 2017	47.60	40.10	48.00	40.10	27,980.39	26,447.06
February, 2017	51.00	44.20	50.95	44.20	29,065.31	27,590.10
March, 2017	48.95	43.00	48.90	43.00	29,824.62	28,716.21

The Redeemable Non-Convertible Debentures of the Company are listed on Bombay Stock Exchange (Scrip Code: 945945); and the annual listing fees in respect of the year 2017-2018 have been paid to the said exchange. As at March 31, 2017; the Company has following outstanding series of listed Redeemable Non-Convertible Debentures issued on private placement basis in dematerialized form:

Series No	No. of NCDs	Coupon rate	O/s. Face value As on 31/03/2017	Outstanding Amount	ISIN	Scrip Code
IX-A	1000	12.40%	₹ 10,00,000/- each	₹ 100.00 crores	INE934B07207	945945

During the year, out of 1500 Non-Convertible Debentures (NCD's) of ₹ 10,00,000/- each, the Company redeemed 500 Non-Convertible Debentures (NCD's) aggregating to ₹ 50 Crores on maturity.

Annual Custody fee for the year 2017-18 have been paid by the Company to NSDL and CDSL.

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity:

As on March 31, 2017; the Company had 160, 4.75% Foreign Currency Convertible Bonds (FCCBs) of USD 100,000 each aggregating to US $16,000,000 (US Dollar Sixteen Million) outstanding with an initial conversion price of ₹ 38.30 per share (with a fixed rate of exchange on conversion of ₹ 58.5740 per USD 1.00). The said FCCBs are listed on Singapore Stock

Exchange. Tenure of FCCBs is 5 years i.e. up to May, 2019. The FCCB holders can exercise their option to convert the Bonds into Equity at any time before their redemption, by following the prescribed procedure Assuming all FCCB holders exercise their option to convert the Bonds into Equity, there will be increase in the paid-up capital of the Company by 2,44,69,556 shares. Till date none of the FCCB holders has exercised the option.

x. Registrar and Transfer Agents and Share Transfer System:

M/s. Link Intime India Private Limited are the Registrar and Transfer Agents (RTA) as also the Registrar for Electronic Connectivity. During the year, they shifted their registered office from C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (W), Mumbai - 400 078 (Tel No.91-22-25963838) to C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400083 (Tel: 022 – 49186000), Entire functions of Share Registry, both for physical transfer and in de-mat form; as well as dematerialisation/ rematerialisation of shares, issue of duplicate / split / consolidation of Certificates along with registry function of Debentures is being carried out by the RTA at their abovementioned new address.

The correspondence regarding query of unpaid dividends shall be addressed to Compliance Officer at the registered office of the Company.

xi. Distribution of Shareholding as on March 31, 2017

Shareholding of nominal value of	No. of Shareholders	% to total Shareholders	No. of Share	% to total Capital
UPTO 500	61606	75.72	10564881	3.91
501 - 1000	8712	10.71	7402274	2.74
1001 - 2000	4475	5.50	7085314	2.63
2001 - 3000	2288	2.81	5909364	2.19
3001 - 4000	706	0.87	2598493	0.96
4001 - 5000	987	1.21	4765974	1.77
5001 - 10000	1245	1.53	9567895	3.55
10001 AND ABOVE	1344	1.65	221997878	82.25
TOTAL	81363	100.00	269892073	100.00

xii. Shareholding Pattern as on March 31, 2017:

Sr. No	Category	No. of Share	% to total Capital	No. of Holders
1	Promoters/Directors and theirRelatives	92,641,600	34.33	5
2	Mutual Funds / UTI	175000	0.06	2
3	Banks; FIs etc.	2425058	0.90	7
4	FIIs/FPIs	38062961	14.10	35
5	Private Corporate Bodies	39960998	14.81	841
6	Central Government/State Government	3,400	0.00	3
7	Indian Public	85979567	31.86	78943
8	NRIs / OCBs	5475146	2.03	1106
9	Non-promoter Independent Directors and their relatives	84501	0.03	2
10	Clearing members	5083842	1.88	412
	Total	**269,892,073**	**100.00**	**81,356**

xiii. Dematerialisation of Shares & Liquidity:

The equity shares of the Company are under compulsory trading in demat form. Out of total capital of 26,98,92,073 equity shares; 26,75,46,386 equity shares representing 99.13% were held in demat form and balance 23,45,687 equity shares representing 0.87% were in physical form as on March 31, 2017. The ISIN of the equity shares of the Company is INE934B01028.

The shares are actively traded on BSE and NSE and the turnover data during the financial year 2016-17; was as under:

Particulars	BSE	NSE	Total
No of shares	13,66,28,779	58,92,04,300	72,58,33,079
Value (₹ In lakh)	59,188.49	2,56,779.35	3,15,967.85

X. CEO/CFO CERTIFICATION:

The necessary certification from Chief Executive Officer, Mr. Shalabh Mittal and Officiating Chief Financial Officer, Mr. Kiran Vaidya in respect of the financial year ended on March 31, 2017 has been annexed to this report.

XI. COMPLIANCE:

The Company has complied with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Necessary Information, Certificates and returns as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were submitted to Stock Exchanges within the prescribed time.

The Company has complied with all 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. The Company also endeavors to follow Non Mandatory requirements.

A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance is annexed to the Directors' Report.

XII. PLANT LOCATIONS:

The Company does not have any plant.
Address for correspondence:
Mercator Limited
3rd Floor, Mittal Tower, B-wing,
Nariman Point, Mumbai - 400 021.
Tel Nos: 91-22-66373333
Fax Nos: 91-22-66373344
E-mail: mercator@mercator.in /investors@mercator.in
Website: www.mercator.in

Corporate Social Responsibilities (CSR)

CSR towards Society

The Company in association with its Implementing Agency Prem Punita Foundation, Mumbai undertook following CSR activities.

PROJECT PREM SUKHDA

- **General Health Centers**

  The foundations runs two health Centres, each headed by professional medicos. The two dispensaries situated at different centres cater a populace of approximately 10,000 inhabitants.

- **Awareness Sessions**

  Sessions on 'Hepatitis' are conducted in which ladies/ girls from adopted communities participate. The attendees are appealed to use simple preventive measures to safeguard themselves and share their learning with others in the Community.

  Cancer Awareness and Detection camps for women launched at adopted communities. The objective is to make people aware of cancer causes, symptoms and treatment and also to detect symptoms of cancer amongst women.

- **Personal Hygiene Camps for children**

  Personal Hygiene Programme initiated for children in adopted communities. The core programme includes awareness talk on handwashing habits, food habits, and toilet cleanliness followed by hand washing demonstration. Around 250 Children attended the program and this programme is delivered in a story telling manner to make it more attractive and meaningful. Children get fruits and a Hygiene kit (Toothpaste, Toothbrush, Bathing soap) free of cost.

- **Women Hygiene and Handling Adolescence amongst Girls**

  An Awareness Programme on the Women Hygiene and Handling Adolescence is being organized for the adolescent girls. This Programme is useful in moulding the children and in an aid to develop communication skill, leadership qualities and emotional balance.

PROJECT PREM PRAVAH

- **Sponsering Therapy to children with hearing impairment**

  Prem Punita Foundation helps other philanthropic organisations which are engaged in Child Welfare. Recently one such organisation which helps children with hearing impairment, requested us to sponsor annual therapy of children registered with them. The Foundation decided to help some children and agreed to sponsor annual therapy costs on their behalf.

- **Support NGOs working on eye care**

  The Foundation recently supported one of the leading NGOs working on eye care in Mumbai with Diagnostic equipment for Advance Eye care. The beneficiaries, economically poor patients suffering from eye diseases, will get quality treatment/surgery at free or subsidized rate.

- **Support NGOs working with Disabled**

  Foundation donated Maruti EECO van to NGOs working with spastic children and as well as blind children. The vehicle will be used for escorting the disabled students from one centre to another for training purposes and help providing employment to the beneficiaries.

- Foundation also donated bed sheets to needy people in the community.

PROJECT PREM KSHAMATA

- **Art and craft**

  The Foundation organises hobby classes for the young energised children from financially deprived families. A professional painter from outside Mumbai devoted his valuable time and skills with the children for our project. Young artists aged 7 years to 14 years try their skills in the drawing workshop.

- **Learn with Fun**

  Driven by the urge to initiate a project pertaining to children in the age group of 6-15 the Foundation has started a 'Learn with fun' centre in one of its adopted communities. The children are in the age group of 6-15 going to Municipal schools.

- **Adult Literacy**

  An Adult Literacy Course initiated for illiterate women who never had any schooling before. Objective is to make everyone educated in basic reading and writing, signatures and basic maths.

PROJECT PREM SAGAR

- **Computer education**

  Our pet project, Prem Sagar is presently engaged in providing basic Computer education to girls who are school going children from 5th to 9th standard students and also students passed 10th class examination.

- **Sewing and Design course**

  Prem Punita Foundation under Project Prem Sagar has recently started Sewing and Design course in collaboration with Usha International.

CSR towards Investors

We aim to maintain high levels of transparency and disclosure through regular communication with our investors. On a timely basis, we disseminate our financial information through Stock Exchange in due compliance with Listing agreement. We also issue news releases giving briefs on performance and recent development. We also respond to teleconference calls/ one on one meetings as requested by analysts on financial results. We practice prompt and timely disclosure of any price sensitive developments in the Company. To facilitate better accessibility for investor queries; we have dedicated e-mail ID and also provided our contact details on our website, annual reports etc. We continuously work towards strengthening our investor relations framework to improve our services towards the investor community.

CSR towards Employees

The Company continues to place significant importance on its human resources and enjoys cordial relations at all levels. During the year, various initiatives for employee involvement and efficiency improvement continued. Mercator creates value for its employees, by providing opportunities for growth and prosperity as the organisation grows. Specifically, it creates employee value through continuous learning and career progression opportunities

The Performance Management System has undergone considerable improvement and has enabled sharpening of the process of setting Goals & Major Initiatives. During the year, the organization structures of all key functions have been reviewed and strengthened so as to facilitate delivery of business goals.

Our mission is to protect and enhance the well-being of our employees, visitors and partners. Safe working is non-negotiable. We have a clear focus on safety practices ensuring all possible safety hazards are eliminated

The Company has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to provide protection to women against sexual harassment at work place and to redress the complaint. The Company provided training and conducted awareness program on "Prevention of Sexual Harassment" for employees.

For and on behalf of the Board
For Mercator Limited

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

Regd. Office:
3rd Floor, Mittal Tower,
B-Wing, Nariman Point,
Mumbai – 400 021
Place: Mumbai
Dated: July 25, 2017

CEO & CFO Certification

To,
The Board of Directors,
Mercator Limited
Mumbai

This is to certify that:

(a) We have reviewed financial statements for the financial year ended on March 31, 2017 and the cash flow statement for the year (consolidated and standalone) and that to the best of their 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 their knowledge and belief, no transactions entered into by the company during the year 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 there were no instances of significant fraud of which they 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.

(e) We further declare that all Board members and Senior Management personnel have affirmed compliance with the Code of conduct for the current year.

For Mercator Limited

Shalabh Mittal
Chief Executive Officer

Kiran Vaidya
Officiating Chief Financial Officer

Place: Mumbai
Dated: May 30, 2017

Auditor's Certificate on Corporate Governance

To,
The Members,
Mercator Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by Mercator Limited (hereinafter referred as "Company") for the year ended March 31, 2017 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

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.

For and on behalf of
CNK & Associates LLP
Chartered Accountants
Firm Registration Number 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391

Place: Mumbai
Date: May 30, 2017

Management Discussion & Analysis Report

(Forming part of Directors' report for the year ended March 31, 2017).

REVIEW OF OPERATIONS

Mercator is a diversified group with operations spread across Coal mining & trade, Oil & Gas Exploration & Production, Shipping and Dredging. Besides owning and operating a fleet of tankers, bulk carriers and a gas carrier serving Indian & International waters and dredgers operating on Indian ports its other operations & projects span across India, Indonesia, Myanmar, Middle-east and Nigeria; coal mines in Indonesia and a mining license in Mozambique; oil blocks in India and Myanmar; an EPC project in Abu Dhabi.

The consolidated income from the operations was ₹ 2,115.39 cr for the year under review as compared to ₹ 2,706.75 cr in the previous year. Previous year's income included performance of a Singapore based subsidiary of the Company engaged into dry bulk, whose business stake was divested during the year effective December 2015. This prudent decision of divestment has resulted into operating profit against operating losses in the past years. The operating profit for the year was ₹ 610.24 cr, as against operating loss of ₹ 31.98 cr in the previous year. Net Profit after interest (₹ 232.42 cr); Depreciation & Impairment of assets (₹ 318.64 cr); Tax (₹ 21.21 cr) and minority interest (₹ 4.23 cr); was ₹ 24.14 cr against Loss of ₹ 880.98 cr in the previous year.

COAL

Global Outlook

Coal has seen declining consumption particularly in advanced economies due to its 'dirty fuel' tag. Consequently, increasing carbon emission norms are being proposed to curb coal usage. The share of coal in global primary energy consumption fell to 28.1%, the lowest share since 2004. However, Asia continues to be the largest consumer of coal. It is estimated that coal based power plants producing 1,965 GW are operating globally of which approximately 65% are in China and India. Increased focus on clean energy has resulted in new plants being shelved.

Developing economies, which have shortfall in electricity, continue to be dependent on coal. This dependence is estimated to be particularly high in areas like Sub-Saharan Africa and developing Asia, which together account for 95% of people in energy poverty. It is estimated that close to 1,086 GW are at various stages of planning. {Source: Endcoal}. However, coal would remain as one of the most popular and feasible energy alternatives particularly in developing economies, until commercially and economically feasible renewable energy implementations are sustainable.

India & Indonesia Outlook

India's share of global coal consumption touched 11% in 2016; for the second consecutive year India remained the second largest coal consumer in the world. However, India's coal consumption growth fell to nearly half the 10-year average to only 15 mtr. Coal consumption is largely by the power sector. Central Electricity Authority data indicates that of the total power generation capacity of over 325 GW in India, 59% is coal based.

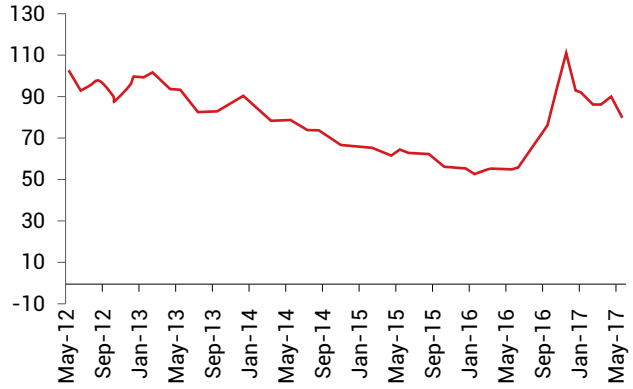
The share of coal in Indonesia's energy mix increased to an all-time high of 36% in 2016. However, consequent to lower export demand coal production in 2016 fell by 6.2% - its largest fall ever. Total coal reserves in Indonesia as estimated by Ministry of Energy and Mineral Resources of Indonesia is at 32.3 billion tons. Indonesia is one of the biggest thermal coal exporters in the world with an estimated 80% of production exported. The major export market for Indonesia has been South East Asia. However, as exports continue to decline, coal production has been consistently falling and as percentage of total production domestic consumption is increasing.

Indonesia Coal Consumption, (Million tons oil equivalent)

	2010	2011	2012	2013	2014	2015	2016
Indonesia	**39.5**	**46.9**	**53.0**	**57.0**	**45.1**	**51.2**	**62.7**

Source: BP Statistical Review 2017

Global Coal Prices, USD/ton



Source: Indexmundi

Our Performance

Mercator has an economic interests in three coal mines in Indonesia and a mining license in Mozambique. Out of these; one coal mine is operational. The mining activity is supplemented by coal procurement, trading and end to end logistics from the mine head to the consumer's stockyard.

In the year under review, coal infrastructure comprising of an all-weather haul road, stockpile facility, crushing unit and loading facility continue to add revenues to the business.

The total coal sales through mining & trading during the year FY17 stood at 4.51 MMT as against 4.8 MMT in FY16, a decrease of ~6%. During the year the 1.74 MMT coal was sold

from own mines against 1.17 MMT recording 49% increase over the previous year. The trading volume was 2.77 MMT against 3.65 MMT with decrease of 24% over the previous year. The net sales for the segment stood at ₹ 1146 cr as against ₹ 1283 cr in the previous year which effectively is a 11% decrease in revenue. This segment contributed 54% to the total income against 47% in the previous year.

OIL & GAS

Global Outlook

Crude oil continues to enjoy largest share globally amongst all primary energy sources consumed. Calendar year 2016 saw adjustment for the oil market, with oil demand again increasing strongly and production growing by less than 25% of the previous year.

Global oil reserves in 2016 rose by 15 billion barrels (0.9%) to 1707 billion barrels, which is estimated to be enough to meet over 50 years of global production at 2016 levels. The increase came largely from Iraq (+10 billion barrels) and Russia (+7 billion barrels). Production in the Middle East increased by 1.7 million barrels per day driven by Iran (+700,000 barrels per day), Iraq (+400,000 barrels per day) and Saudi Arabia (+400,000 barrels per day), but this was largely offset by declines in North America, South & Central America, Africa and Asia Pacific.

Because of greater supply available, prices have been relatively subdued, albeit higher than the lows of USD 28 per barrel reached in Jan – Feb 2016. With significantly low crude prices, the exploration industry in the short term is witnessing a slowdown in investments. The United States has been one of the major nations witnessing a fall in energy related investments.

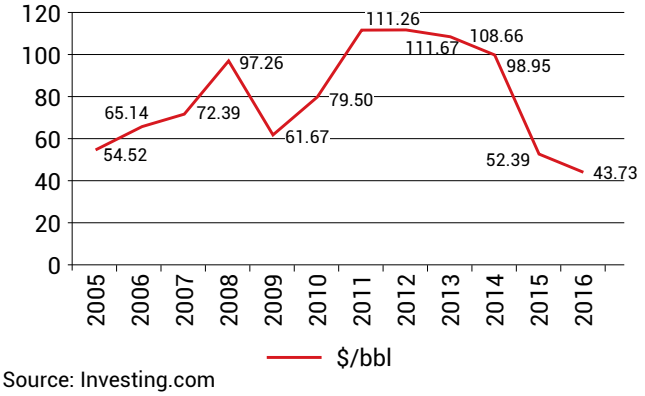
Table: World Crude Oil Production and Consumption 2016, %

Production	Share 2016
OECD	24.2%
Non-OECD	75.8%

Consumption	Share 2016
OECD	47.2%
Non-OECD	52.8%

Source: BP Statistical Review 2017

Graph: Brent Price, USD/Bbl

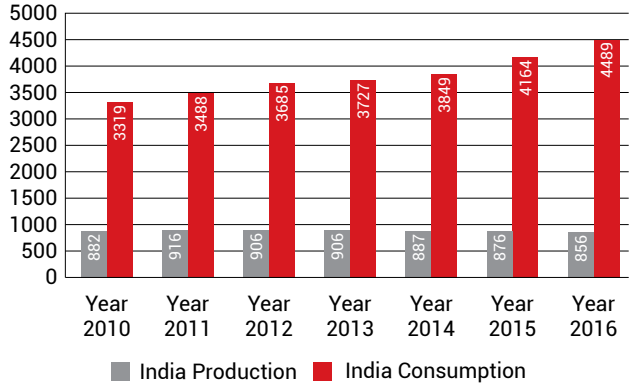


Source: Investing.com

India Outlook

As per BP Statistical Review 2016, India saw its largest increase in oil consumption, increasing by 325, 000 barrels per day in 2016; India was the third largest oil consumer in the world (4.6% of global consumption). Consumption in India is steadily growing, driven by increase in auto sales. India's refining capacity and throughput were also the largest in the world, contributing 72% to the net growth in global refining capacity and 57% of global throughput growth. India's oil demand is estimated by OPEC to grow by 0.14 million barrels per day or 3.25% to 4.53 million barrels per day in 2017, after growing 8.2% in 2016.

Oil Production and Consumption (Thousand barrels daily)



Source: BP Statistical Review 2017

As a result of supply not keeping up with demand, India's crude oil imports rose by 370 000 barrels per day to 4.3 million barrels per day, the highest level ever.

Our Performance

Oil & Gas Blocks

Mercator Petroleum Limited ('MPL'), a subsidiary of the Company has Production Sharing Contracts with the Government of India for exploration of petroleum in two blocks viz. CB-3 & CB-9, 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 km^2. MPL, during the First Phase of its drilling campaign in CB-9, has drilled four exploratory wells, tested two of them and have discovered superior quality oil (light & sweet crude - 410 API) in both, with oil flowing to surface at the time of well testing in the presence of the Directorate General of Hydrocarbons. The quality of oil so discovered, enjoys a premium over Brent Crude (Brent Crude being 380 API). Exploration activities continue in CB-9. Subsequent to the financial year end; one more well was drilled. The said well too, has encountered potential hydrocarbon zones and is planned to be tested alongside 3rd and 4th well, post monsoon, in order to achieve higher efficiency. Block CB-3 is currently under exploration period.

MPL in consortium with Oil India Ltd. and others, had entered into Production Sharing Contract with the Ministry of Energy,

Myanmar for two (2) shallow offshore oil blocks viz. M-4 and YEB. MPL has held 25% PI in both these blocks. While the initial study has been completed in both the blocks, prospects for M-4 appeared to be poor and therefore the Consortium, along with Oil India, applied to relinquish the said Block during the Financial Year. Prospects for YEB are being evaluated by the Company.

EPC

The EPC project awarded by ONGC for conversion of their Mobile Offshore Drilling Unit (MODU) 'Sagar Samrat' into a Mobile Offshore Production Unit (MOPU) is in advance stage of completion. The scope of work for this project includes Surveys, Design, Engineering, Procurement, Fabrication, Transportation, Jack up, Hook-up, Testing, Certification / Inspection, Pre-commissioning, Start-up and Commissioning of entire facilities including demolition of existing Drilling equipment for final conversion. The project is nearing to completion and is ~95% complete. Mercator achieved a total income of ₹ 26 cr compared to ₹ 248 cr in the previous year. This has contributed about 1% of the total operating income (previous year 9%). The project is expected to be completed by next financial year.

Offshore

Mercator had its own Mobile Offshore Production Unit (MOPU) and a Floating Storage Offloading Unit (FSO), together known as a Floating Production Unit (FPU) which was deployed at the EBOK field in Nigeria. Mercator had successfully provided customized Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) services for this facility in the year 2010 and since then it had assisted in producing more than 50 million barrels from the field. During the year; this FPU was sold as a strategic decision effective mid of November 2016. Till that date; Mercator earned total income of ₹ 306 cr during the year; (₹ 382 cr during full previous year) contributing 14% to the total income (11% previous year)

SHIPPING

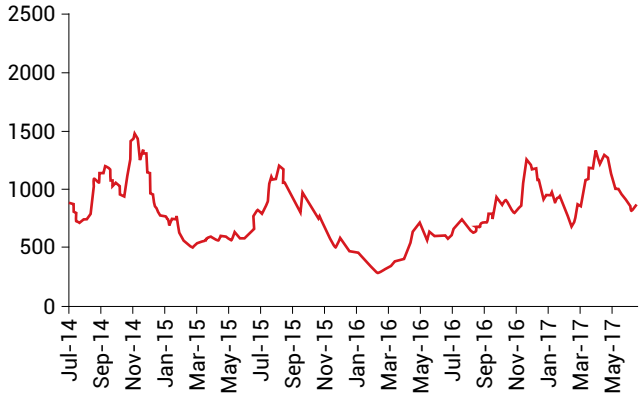
Global Outlook

The unpredictable direction of the global economy in the near term and the lack of clarity about government action on monetary, fiscal and trade policies raises the risk that trade activity will be stifled. As a result of these uncertainties WTO expects the growth in global trade to be in the tune of 1.8% to 3.6%.

Dry Bulk

The Baltic dry index, which is a measure for charter rates for dry bulk carriers, after touching an all-time low of 290 in February 2016 has been steadily moving upward and closed the last financial year at 1297. During 2016, the Chinese economy has remained stable with a slight improvement helped the dry bulk trade to slightly increase by about 1%. Though, it was not enough to keep the dry bulk market which dropped by about 6.7% mainly due to the growth of supply which was more than twice the growth of the demand.

Baltic Dry Index



Source: quandle.com

Our Performance

Mercator's bulk carrier fleet comprises of two Panamax vessels with aggregate tonnage of 135,807 DWT. There was no change in the tonnage during the year. Mercator achieved a turnover of ₹ 22 cr (₹ 213 cr previous year). During fiscal year 2016 Mercator had one subsidiary by name Mercator Lines (Singapore) Ltd. (MLS) which was owning and operating a fleet of 13 dry bulk carriers and its income was included in the previous year. Mercator divested its stake from this subsidiary and hence there is a corresponding reduction in the tonnage as well as turnover.

This segment contributed about 1% to the total operating income (previous year 8%).

Tankers

Over the last few years there has been an increased crude oil demand from the non-OECD countries where demand growth has surpassed the OECD countries. This has led to increase in average voyage distance for crude oil tankers, further adding to utilization levels.

Rates after improving to ~ USD 20,000 per day in the beginning of 2017 have since subsided to mid-2016 levels. (Source: BIMCO)

Oil price is under sustained pressure and the world has recalibrated to much lower price range. Oil consumption growth is stable and positive, but is subject to macro and price shocks. China remains as a key driver for crude trade growth but import expansion is slowing down.

Gas Carriers

The global LPG market as per a report by Radiant Insights is estimated at 261.6 million tons. Asia Pacific continues to dominate the global LPG market with 35.64% share of the total market volume in 2013.

As per the report the global LPG market is expected to grow at a CAGR of 4.1% over 2014 to 2020 to be 356.98 million tons by 2020. The growing population, increased reach of LPG as fuel and supportive regulation from various governments are expected to be key drivers for the market over 2014 to 2020.

This augurs well for the global Gas carrier industry. The steady growth in LPG demand would further drive the demand for Very Large Gas Carriers (VLGCs).

Our Performance

Mercator's tanker fleet consists of a Very Large Gas Carrier (VLGC), a Very Large Crude Carrier (VLCC), a Floating Storage & Operating (FSO) vessel and four product tankers (MRs) with an aggregate capacity of 626,791 DWT. There was no change in the tonnage during the year. All tankers were gainfully deployed in the year. During the year; Mercator won a four-year contract valued at about ₹ 120 cr for one of the tankers. VLCC was also shifted from long term charter upon its maturity to voyage charter at a slightly higher rate. The tanker business achieved a turnover of ₹ 345 cr as compared to ₹ 293 cr in the previous year. The contribution from the tanker division was 16% (previous year 11%) of the total operating income.

DREDGING

Global Outlook

Ports play a very key role in India's overseas trade with 90% of the volume traded through ports. The port sector in India over the last few years has witnessed a robust growth majorly supported by increased container terminals. The capacity at major ports has grown to 965.36 MMT in FY16, translating to a CAGR of 7.5 per cent since FY07. Utilization rates of major ports in India such as JNPT port, Kandla port, Ennore port, etc., are significantly higher than the world's average. The Government has clearly marked Ports as a priority sector for investment. In November 2016, it identified 12 Major Ports were under the Sagarmala project for cargo handling till 2035. The objective of this project is to promote port led development and to provide infrastructure to efficiently transport goods using coastal shipping route. This will not only reduce freight cost, but also reduce the load on the Indian Railways' key trunk routes. Concurrently the Indian Port Rail Corporation Ltd. (IPRCL), plans to conduct rail infrastructure expansion & modernization work for Jawaharlal Nehru Port Trust, Kandla Port & Haldia Dock Complex from April 2017. Similar work has also commenced at Kolkata, Vishakhapatnam, Tuticorin, New Mangalore & Chennai ports. Germany and India are working on projects worth USD 14.87 billion being implemented by IPRCL. Deutsche Bahn Engineering & Consulting, a leading German entity has also announced plans to enter into a joint venture with the IPRCL with an objective to connect Indian ports with railways.

There are several initiatives being taken to strengthen the Port segment in order to make operations more efficient. These include:

- Creating an enabling environment for Public Private Partnership projects
- Developing SEZs near several ports, which will reduce transportation costs for industries located in these zones
- Improving draft depth at greenfield ports to accommodate large sized vessels
- Specialized terminals for specific cargo types e.g. ICTT in Cochin, LNG terminal in Dahej Port
- Ranking of ports under the Swachhta Pakhwada to encourage better sanitation

Port operations is also witnessing encouraging improvement. The average turnaround time for major ports in FY2017 improved to 2.11 days from 4.01 days in FY15.

Our Performance

Mercator has a fleet of nine (9) Dredgers comprising of six (6) Trailer Suction Hopper Dredgers, one (1) Cutter Suction Dredger, one (1) Grab Dredger and one (1) Bucket Ladder Dredger. Over the years several repeat contracts have been won for various major ports competing with DCI and other International companies. The utilization of all the dredgers remains high. Mercator achieved a turnover of ₹ 271 cr (Previous year ₹ 283 cr). Mercator secured NMPT dredging contract for 3 years with contract value ₹ 979.94 Mn and secured DGNP Vizag contract of ₹ 390 Mn.

During the year; one dredger had unscheduled repairs and hence there was a consequent reduction in the turnover. This segment contributed about 13% to the total operating income (previous year 10%).

REVIEW OF OPERATIONS OF SUBSIDIARIES

Mercator International Pte. Ltd. (MIPL)

MIPL incorporated in Singapore is a wholly-owned subsidiary and an apex company for all overseas subsidiaries. It has further subsidiary companies - namely Offshore Holding Pte. Ltd., Oorja Holdings Pte. Ltd, and Mercator Energy Pte Limited. These subsidiaries have further step-down subsidiaries.

Oorja Holdings Pte. Ltd. (OHPL) and its subsidiaries

OHPL is a 100% subsidiary of MIPL, based in Singapore. It was established with the objective of exploring business opportunities in commodity mining and trading.

OHPL, through its subsidiaries in Singapore and Indonesia, owns three mines in Indonesia out of which one is operational. It also has a mining license in Mozambique. Through its subsidiary, it also holds a Coal Trader License, and procures coal from various miners in various regions of Indonesia.

OHPL has established itself in the coal mining and procurement business and is a reliable coal supplier from Indonesia. It exported 4.50 million MT in FY 17 (4.81 million MT in previous year). It exports coal to India, China, Thailand, Sri Lanka, Philippines and other Asian countries.

During the year; OHPL achieved a consolidated turnover of ₹ 1146.41 cr, equivalent of USD 170.95 million (previous year ₹ 1230.10 cr equivalent of USD 187.24 million) and net profit of ₹ 141.31 cr, equivalent of USD 23.13 million (previous year loss of ₹ 37.29 cr equivalent of USD 5.68 million).

Mercator Offshore (P) Pte. Ltd. (MOPPL)

This subsidiary based in Singapore had a contract for chartering of Floating Production Unit (FPU) comprising a Mobile Offshore Production Unit (MOPU) and a Floating

Storage Offshore Unit (FSO) in their EBOK oilfield in Nigeria for a period of nine years.

MOPPL had done entire Engineering, Procurement; Construction, Installation and Commissioning of the FPU in Nigeria. This FPU was sold during the year. MOPPL had a local arm in Nigeria, IVORENE Oil Services Ltd, from which also it divested stake during the year.

MOPPL achieved a turnover of ₹ 306.21 cr, equivalent of USD 45.66 million and recorded loss of ₹ 4.18 cr equivalent of USD 0.62 million (previous year turnover of ₹ 385.75 cr equivalent of USD 58.72 million and profit of ₹ 81.54 cr equivalent of USD 12.41 million).

Mercator Oil & Gas Ltd. (MOGL)

This is an Indian unlisted subsidiary. MOGL, in consortium with MOPPL and an Abu Dhabi-based shipyard, has been awarded a contract by ONGC for conversion of its Mobile Offshore Drilling Unit (MODU) into a Mobile Offshore Production Unit (MOPU). The execution of the project is nearing completion.

MOGL achieved a turnover of ₹ 25.95 cr (₹ 251.82 cr in previous year) and suffered a loss of ₹ 15.67 cr (₹ 4.99 cr loss in previous year).

Mercator Petroleum Ltd. (MPL)

This is an Indian unlisted subsidiary. MPL has entered into a Production-Sharing Contract with the Government of India in respect of two oil blocks allotted to it under the Seventh New Exploration Licensing Policy round (NELP-VII). MPL has drilled five wells within one of these blocks (CB-9) out of which two wells tested and they have had successful light, sweet crude oil discoveries.

MPL in consortium with Oil India Ltd. and others, have entered into Production Sharing Contract (PSC) with the Myanmar Ministry, the Republic of Myanmar, for two offshore oil blocks by it in the Myanmar Offshore Block Bidding Round - 2013. The initial study has been completed in both the blocks. However, prospects for M-4 appeared to be poor and therefore the Consortium, along with Oil India, applied to relinquish the said Block during the year under review.

During the year; MPL issued further 6% Optionally Convertible Unsecured Debentures for an aggregate amount of ₹ 12.60 cr for cash at par on right basis to part finance its drilling activities.

Offshore Holdings Pte. Ltd. (OHPL)

OHPL (erstwhile Mercator Offshore Holdings Pte. Ltd.) owns and operates one VLCC. During the year; this VLCC has been shifted from long term time charter upon end of contract to spot charter with slightly higher charter yields. For the year ended March 2017, OHPL achieved a turnover of ₹ 71.24 cr equivalent of USD 10.62 million (₹ 54.77 cr equivalent of USD 8.34 million in the previous year) and recorded a profit of ₹ 8.73 crores equivalent of USD 1.30 million against (loss of ₹ 25.18 cr equivalent of USD 3.83 million in Previous Year.)

Mercator Energy Pte. Limited (MEPL)

MEPL is subsidiary of MIPL in Singapore with the object of carrying business activities of petroleum, mining and prospecting services and activities incidental to oil and gas extraction. MEPL has further subsidiary/step down subsidiaries in Singapore. Prolonged lower oil prices had its cascading effect on the many projects of Oil Majors Internationally compelling them to abandon some of projects. This had adverse impacts of MEPL and its subsidiaries as well. Consequently, some step-down subsidiaries are put into liquidations for discontinuing projects awarded to them by respective vendors.

(For financial performances conversion rate per dollar is ₹ 67.0615 for the Profit and Loss account (previous year ₹ 65.6947); and ₹ 64.8386 for Balance Sheet items (previous year ₹ 66.3329).

RISK REVIEW

Mercator has a very diverse business model with operations spread across various countries. The businesses are also dependent on global business environment which is dynamically evolving. Hence the Company faces many risks in its business operations which could have direct or indirect impact on the Company's operations.

Mercator ensures it is consistently abreast to changes in regulatory policy and the overall fluid business environment by its own continuous assessment and investing in infrastructure. This enables the Company with appropriate mechanisms to best mitigate challenges as well as leverage opportunities

Economic Risk:

Risk: With wide spread businesses having multi-country operation the change in global economic scenario may have an adverse impact on the Company.

Mitigation Measure: With a diversified base, the Company's business model can mitigate any major adverse impact to a large extent. However, it would have some bearing impact due to the slowdown in the global economy.

Forex risk

Risk: The Company's business is global and has exposure to many countries. The volatility in the global currencies could have an adverse impact on the Company's financials.

Mitigation Measure: The Company has a natural hedge against forex fluctuation as major operations and expenditures are in foreign currency.

Loss of Asset:

Risk: The Company is into capital intensive business of shipping and any loss of asset due to accident could have a negative impact on the Company.

Mitigation Measure: The Company maintains aggregate insurance coverage for the hull value of all its assets. It is also insured for third party risks, including environmental risks, Navigation Policy, Port Risk Policy and War Risk Policy etc.

Environmental Risk:

Risk: The Company has operations in mining which could have an adverse impact on environment. Also, the possible spillage during the transport of crude or other chemicals could have an adverse impact on the environment.

Mitigation: The Company follows appropriate practices in order to encounter any possible threats and its consequent impact on the environment. It also places strong emphasis on a clean environment. Towards these objectives it ensures strictest adherence to all globally acceptable environmental standards.

QUALITY, SAFETY AND ENVIRONMENT

"Zero Accidents and Zero Spills" is a Policy, Mercator is strictly committed to and believes it 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 it is associated with.

Equipment and all assets are regularly monitored and ensured to be in optimal condition to best guard against any mishaps. Reports about inspections, upgradations etc. are compiled on a periodic basis and reviewed.

All team members go through a thorough training program to enable them to be equipped with the necessary awareness and understanding of both the importance of Quality, Safety and Environment. Experience and shared learning is encouraged amongst all Tool box meeting prior to start of any job and Stop Work culture is practiced in case of possibility of any unsafe activity. Our Flexible HSSE culture adapts to the changing external demands and ensures 100% compliance to all National and International rules and regulations.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Towards ensuring adherence to and adequacy of all Internal Control Systems the Company utilizes the services of an external firm of auditors to evaluate their efficacy and considers their suggestions on improvements. Their findings are reviewed consistently by the Audit Committee constituted by the Board of Directors. A Whistle Blower Policy is also implemented to further ensure vigilance and guard against any inopportune development.

HUMAN RESOURCES POLICY

Mercator truly believes that its team, its people are its greatest assets. The organization empowers and motivates its people, its core focus being to provide growth and nurture all its employees, encouraging them to perform to the best of their abilities. Visionary and forward-thinking leaders stimulate a learning culture, process-driven and result-oriented environment. Enabling cross-functional teams across levels helps to enhance productivity and efficiencies.

Mercator also believes in providing equal opportunities to women, and this is reflected in the fact that women form a significant strength of its workforce and they also play / carry important roles in the organization.

Mercator remains focused on strengthening its people policies and internal processes where employees seek continual improvement, greater accountability and responsibility and excel in their key result areas. Collaboration, connectivity and productivity enhancing technology initiatives are the company's key drivers that support this platform in building careers for its people.

As on March 31, 2017 there were 83 permanent employees and 19 contract employees with Mercator India. Globally, the Mercator group had 452 employees as on March 31, 2017.

CAUTIONARY STATEMENT

The Statement 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.

For and on behalf of the Board
For Mercator Limited

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

Regd. Office:
3rd Floor, Mittal Tower,
B-wing, Nariman Point,
Mumbai - 400021.
Place: Mumbai
Dated: July 25, 2017

Independent Auditor's Report

TO THE MEMBERS OF MERCATOR LIMITED

Report on the Standalone Indian Accounting Standards (Ind-AS) Financial Statements

We have audited the accompanying standalone Ind-AS financial statements of **MERCATOR LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind –AS financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income),and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 Ind –AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind –AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind-AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind-AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind-AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind-AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind-AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind-AS financial statements give the information required by the Act in the manner so required and 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 31st March, 2017, and its loss (including other comprehensive income) and its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 27, 2016 and May 29, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to Ind-AS have been audited by us.

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, to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) 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 information), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **'Annexure B'**; and

   (g) 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, 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 as at March 31, 2017 on its financial position in its standalone Ind-AS financial statements – Refer Note 3.2 to the standalone Ind-AS financial statements;

      ii. The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.

      iv. The Company has provided requisite disclosures in the standalone financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to December 30, 2016 required as per MCA Notification No. g.S.R. 307(E) and Notification No. G.S.R. 308(E) dated 30th March 2017, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. – Refer Note 3.19.

For C N K & Associates LLP
Chartered Accountants
Firm's Registration No. 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391
Dated: May 30, 2017

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under "Report on other Legal and Regulatory requirements" in the Independent Auditor's Report of even date to the members of Mercator Limited ("the Company") on the standalone financial statements for the year ended March 31, 2017.)

i. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

   (b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;

   (c) On the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company;

ii. As explained to us, the inventory has been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;

iii. The Company has granted loans to bodies 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 the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company

   (b) In the case of the loans granted to the bodies corporate listed in the register maintained under

section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

iv. On the basis of records produced before us and verified by us, and on the basis of information and explanation provided to us, the loans granted by the company are in compliance with the provisions of sections 185 and 186 of the Companies Act, 2013;

v. The company has not accepted any deposits during the year to which the directives of RBI or the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder are applicable;

vi. As informed to us, the Central Government has not prescribed the maintenance of Cost records by the company under section 148 (1) of the Act.;

vii. (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, and any other statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March 2017, for a period of more than six months from the date they become payable;

(b) According to the information and explanations given to us, the disputed statutory dues not deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of the dues	Amount (₹ in lakhs)	Year/s to which the amount relates	Forum where dispute is pending
Service Tax under Finance Act, 1994	Service Tax	6,396.73	2006-07 to 2014-15	Commissioner of Service tax, Mumbai
Income Tax	Income Tax	1,357.15	2010-11	Commissioner of Income tax(Appeals)
		170.69	2009-10	
		72.46	2002-03	
		545.83	2006-07	Income Tax Appellate Tribunal
		2077.35	2007-08	
		7,426.10	2008-09	

viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders;

ix. Based on our audit procedures and according to information and explanations given to us, the company has not raised money by way of initial public offer, or further public offer including debt instruments during the year. In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained;

x. During the course of our examination of the books of account and records of the company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud on or by the company noticed or reported during the year, nor have we been informed of any such case by the management;

xi. The managerial remuneration paid by the company is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013;

xii. The company is not a Nidhi Company and hence clause (xii) is not applicable;

xiii. Based on our audit procedures and as per the information and explanations given by the management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards;

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year under review;

xv. Based on our audit procedures and as per the information and explanations given by the management, the company has not entered into any non-cash transactions with the directors or persons connected with him;

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For C N K & Associates LLP
Chartered Accountants
Firm's Registration No. 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391
Dated: May 30, 2017

Balance Sheet

as at March 31, 2017

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A. ASSETS				
1 Non- current assets				
(a) Property, plant and equipment	2.1	105,378.58	115,227.27	97,047.08
(b) Investment property	2.2	125.30	142.96	163.65
(c) Investment in Subsidiaries	2.3	4,644.87	3,384.87	1,581.87
(d) Financial assets				
(i) Investments	2.3	0.12	59.80	73.92
(ii) Loans	2.4	28,571.92	17,668.46	9,400.05
(ii) Other Financial Assets	2.5	250.52	601.02	297.59
(e) Other non current assets	2.6	17,783.56	16,107.30	15,913.89
Total non-current Assets		**156,754.87**	**153,192.68**	**124,478.05**
2 Current assets				
(a) Inventories	2.7	1,014.94	876.58	690.88
(b) Financial assets				
(i) Trade receivables	2.8	17,429.21	16,754.13	23,977.80
(ii) Cash and cash equivalents	2.9	3,646.24	559.04	5,535.26
(iii) Bank balances other than cash and cash equivalents	2.9	3,221.05	772.00	627.56
(iv) Loans	2.10	6,504.36	5,273.30	7,114.29
(v) Other Financial Assets	2.11	6,954.04	8,885.31	12,528.67
(c) Other current assets	2.12	3,968.99	2,261.34	4,295.86
Total current Assets		**42,738.83**	**35,381.70**	**54,770.32**
TOTAL ASSETS		**199,493.70**	**188,574.38**	**179,248.37**
B. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	2.13	2,698.92	2,448.92	2,448.92
(b) Other Equity	2.14	79,462.06	72,747.04	70,624.62
Total equity		**82,160.98**	**75,195.96**	**73,073.54**
2 Non - current liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.15	75,853.65	70,105.73	67,491.90
(ii) Other financial Liablities	2.16	18.00	527.44	864.75
(b) Provisions	2.17	178.97	185.06	258.15
Total non-current liabilities		**76,050.62**	**70,818.23**	**68,614.80**
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.18	8,345.65	5,008.21	3,823.32
(ii) Trade payables	2.19	12,746.82	10,137.47	12,798.07
(iii) Other financial Liablities	2.20	19,191.70	26,488.84	20,192.71
(b) Other current liabilities	2.21	883.86	891.20	703.82
(c) Provisions	2.22	114.07	34.47	42.11
Total current liabilities		**41,282.10**	**42,560.19**	**37,560.03**
Total liabilities		**117,332.72**	**113,378.42**	**106,174.83**
TOTAL EQUITY AND LIABILITIES		**199,493.70**	**188,574.38**	**179,248.37**
Significant Accounting Policies	1			
Notes forming part of the financial statements	2 to 3.21			

As per our report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration Number 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board

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

M. M. Agrawal
Director
(DIN:00681433)

Kiran Vaidya
Officiating Chief Financial Officer

Suhas Pawar
Company Secretary
Membership No. A36560

Statement of Profit and Loss

for the year ended March 31, 2017

(₹ in Lakhs)

	Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
	INCOME			
	(a) Revenue from operations	2.23	53,833.15	58,864.38
	(b) Other income	2.24	3,049.62	2,262.78
1	**Total Revenue**		**56,882.77**	**61,127.61**
	EXPENSES:			
	(a) Operating expenses	2.25	30,692.98	31,934.28
	(b) Employee benefit expenses	2.26	1,525.68	2,069.86
	(c) Finance cost	2.27	9,689.59	9,283.45
	(d) Depreciation and amortisation expenses		14,727.65	12,724.26
	(e) Other expenses	2.28	2,285.79	2,537.63
2	**Total Expenses**		**58,921.69**	**58,549.48**
3	**Profit/(loss) before exceptional items and tax from continuing operations (1 - 2)**		**(2,038.92)**	**2,577.68**
4	Less: Exceptional items	3.4	915.62	-
5	**Profit/(Loss) before taxes (3 - 4)**		**(2,954.54)**	**2,577.68**
6	**Tax expense:**			
	(a) Current tax	3.14	(100.00)	(100.00)
	Profit /(Loss) for the period from continuing operations(5 - 6)		**(3,054.54)**	**2,477.68**
7	**Other comprehensive income**			
	Items that will not be reclassified to Profit or Loss, remeasurements of net defined benefit plans		(60.85)	125.05
8	**Total Comprehensive Income for the year**		**(3,115.39)**	**2,602.73**
9	**Earnings per share (Equity share of Re. 1/- Each) for continuing operations**			
	Basic (In Rupees)	3.9	(1.25)	1.06
	Diluted (In Rupees)		(1.25)	1.06
	Significant Accounting Policies	1		
	Notes forming part of the financial statements	2 to 3.21		

As per our report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration Number 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board

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

M. M. Agrawal
Director
(DIN:00681433)

Kiran Vaidya
Officiating Chief Financial Officer

Suhas Pawar
Company Secretary
Membership No. A36560

Cash Flow Statement

for the year ended March 31, 2017

(₹ in Lakhs)

	Particulars	Current Year	Previous Year
A	**Cash Flow from Operating Activities**		
	Net Profit / (Loss) before taxes	(2,038.92)	2,577.68
	Adjustment for:		
	Depreciation	14,727.65	12,724.26
	Provision for doubtful debts/advances	643.03	270.00
	Interest paid	9,689.59	9,283.45
	(Profit)/Loss on fixed assets sold (net)	35.87	0.40
	(Profit)/Loss on sale of investments (net)	57.50	(1.63)
	Interest income	(2,124.15)	(1,973.93)
	Dividend income	-	(150.49)
	Bad Debts and other amounts written off/(back)	-	43.16
	Remeasurements of net defined benefit plans	(60.85)	125.05
	Adjustments for exchange fluctuation	722.43	148.75
	Operating profit before working capital changes	**21,652.15**	**23,046.70**
	Adjustment for:		
	(Increase) / Decrease in Non Current Financial Loans	(2.99)	273.08
	Decrease/(Increase) in Inventories	(138.36)	(185.70)
	Decrease/(Increase) in Other Current Assets	(1,707.65)	3,046.96
	Decrease/(Increase) in Trade receivables	(1,310.37)	6,933.39
	(Decrease)/Increase in Long term provisions	(6.09)	(73.09)
	(Decrease)/Increase in Trade payables	2,609.35	(2,717.41)
	(Decrease)/Increase in Other current liabilities	(7.35)	182.74
	(Decrease)/Increase in Other financial liabilities	(134.21)	303.70
	(Decrease)/Increase in Short term provisions	79.60	(7.64)
	Net Cash from Operating Activities	21,034.08	30,802.34
	Direct taxes paid	(1,347.24)	(1,567.38)
		19,686.84	**29,235.35**
	Exceptional items	(915.62)	-
	Total cash from / (used in) operating activites	**18,771.22**	**29,235.35**
B	**Cash Flow from Investing Activities**		
	Acqusition of fixed assets including capital work in progress	(4,897.66)	(29,567.34)
	Sale of Fixed Assets	1.50	0.31
	(Increase) / Decrease in Current Financial Loans	(1,228.78)	1,899.82
	(Increase) / Decrease in Non Current Financial Loans	(11,710.75)	(8,202.30)
	(Increase) / Decrease in Capital Advances	(429.02)	1,277.27
	(Increase) / Decrease in Current Intercorporate deposits	2,028.77	2,783.65
	(Purchase)/sale of Investments	(1,257.82)	15.75
	Investment in fixed deposits	(2,021.95)	(413.57)
	Interest Income	2,049.99	2,085.03
	Dividend Income	-	150.49
	Net Cash from Investing Activities	**(17,465.72)**	**(29,970.89)**

(₹ in Lakhs)

Particulars		Current Year	Previous Year
C	**Cash Flow from Financing Activities**		
	Proceeds from Long term borrowings	(1,759.94)	4,405.37
	Proceeds/(Repayments) from/of Short term borrowings	3,337.44	1,184.89
	Interest paid	(9,448.68)	(9,246.06)
	Dividend Paid (Including Dividend Distribution tax)	(294.75)	(587.63)
	Issue of Equity Shares	250.00	-
	Security Premium on Issue of Shares (net of Issue expenses)	9,708.26	-
	Net Cash from Financing Activities	**1,792.33**	**(4,243.43)**
	Net Increase / (decrease) in cash and cash equivalents (A + B + C)	**3,097.83**	**(4,978.97)**
	Cash and Cash Equivalents as at beginning of the year (Refer Note 2.9)	559.04	5,535.25
	Add: Unrealised Foreign Exchange Fluctuation on cash and cash equivalents	(10.63)	2.76
	Cash and Cash Equivalents as at end of the year (Refer Note 2.9)	3,646.24	559.04
	Cash and Cash Equivalents comprise of:		
	Cash and Bank Balances (Refer Note 2.9)	3,646.24	559.04

Notes:

1) In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit/(Loss) for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in bracket represent outflows.

2) Cash and cash equivalents include Unclaimed dividend accounts of ₹ 15.21 lakhs (P.Y. ₹ 22.44 lakhs) which are not available for use by the company.

3) Previous Year's figures have been regrouped wherever necessary to confirm to the current year's classification.

As per our report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration Number 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board

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

M. M. Agrawal
Director
(DIN:00681433)

Kiran Vaidya
Officiating Chief Financial Officer

Suhas Pawar
Company Secretary
Membership No. A36560

Statement of Changes in Equity

for the year ended March 31, 2017

(a) Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of reporting period	244,892,073	2,448.92	244,892,073	2,448.92	244,892,073	2,448.92
Add: Shares issued during the year (Refer Note 2.13)	25,000,000	250.00	-	-	-	-
Balance at the end of the reporting period	**269,892,073**	**2,698.92**	**244,892,073**	**2,448.92**	**244,892,073**	**2,448.92**

(b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus										Total
	Capital Reserve	Capital Redempetion Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	General Reserve	Tonnage Tax Reserve	Hedging reserve	Foreign Currency Monetary Item Translation Difference Account	Deemed Equity Component	
Balance at April 1, 2015	4,289.49	4,000.00	36,374.92	3,750.00	7,218.52	13,721.94	1,180.91	(1,153.00)	1,241.84	-	70,624.62
Transfer from retained earnings	-	-	-	-	-	-	357.40	-	-	-	357.40
Increase/decrease during the year	-	-	-	-	1,653.05	-	-	134.11	37.65	35.81	1,860.62
Add/(Less) : Ind AS effect	-	-	-	-	-	290.12	-	-	(385.72)	-	(95.60)
Balance at March 31, 2016	**4,289.49**	**4,000.00**	**36,374.92**	**3,750.00**	**8,871.57**	**14,012.06**	**1,538.31**	**(1,018.89)**	**893.77**	**35.81**	**72,747.04**
Increase/decrease during the year	-	-	-	-	-	-	-	1,018.89	419.14	-	1,438.03
Restated balance at the beginning of the period	-	-	193.29	-	(1,181.79)	(37.13)	-	-	(96.96)	-	(1,122.59)
Transfer from General reserve	-	-	-	-	-	1,250.00	-	-	-	-	1,250.00
Net Profit/(Loss) after tax transferred from Statement of Profit and Loss	-	-	-	-	(3,115.39)	-	-	-	-	-	(3,115.39)
Transfer to general reserve	-	-	-	(1,250.00)	-	-	-	-	-	-	(1,250.00)
Securities Premium on fresh issue of shares	-	-	9,514.97	-	-	-	-	-	-	-	9,514.97
Balance at March 31, 2017	**4,289.49**	**4,000.00**	**46,083.18**	**2,500.00**	**4,574.39**	**15,224.93**	**1,538.31**	**-**	**1,215.95**	**35.81**	**79,462.06**

As per our report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration Number 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board

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

M. M. Agrawal
Director
(DIN:00681433)

Kiran Vaidya
Officiating Chief Financial Officer

Suhas Pawar
Company Secretary
Membership No. A36560

Notes forming part of the financial statements

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2017

CORPORATE INFORMATION

Mercator Limited ("the Company") was incorporated on November 24, 1983 as private limited company with name as Mercator Lines Private Limited. It was converted into limited company vide ROC approval dated April 12, 1984. The name was changed to Mercator Limited vide ROC approval dated November 22, 2011. The Company has directly and/ or through its subsidiaries diversified business verticals viz. Shipping (tankers, Gas Carriers and dry bulkers), Dredging, Oil and Gas (EPCIC and E and P), Coal (Mining, Procurement and Logistics).

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for Preparation

The Ind AS financial statements 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 relevant provisions of the Act.

These Ind AS financial statements for the year ended March 31, 2017 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended March 31, 2016, the company had prepared its Ind AS financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as the 'Previous GAAP') used for its statutory reporting requirement in India.

The Ind AS financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the Ind AS financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the 'date of transition to Ind AS'.

Authorisation of Ind AS financial statements: The Ind AS financial statements for the year ended March 31, 2017 were approved by the Board of Directors and were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on May 30, 2017.

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 lakhs.

1.2 Historical cost convention

The Ind AS financial statements have been prepared on a historical cost basis, 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 Ind-AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) 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.

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

The areas involving critical estimates or judgement are:

Estimation of Defined benefit obligation - refer note 3.5

Estimation of current tax expenses and Payable - refer note 3.14

Useful lives of property, plant and equipment- refer note 1.6

1.4 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Notes forming part of the financial statements

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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of activities of the Company and the normal time between acquisition of assets 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 Currencies

(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 currencies are translated into functional currency using the exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are generally recognised in Profit or loss. They are deferred in 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 operations.

Foreign exchanges differences regarded as an adjustment to borrowing costs are presented in the statement of Profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the Statement of Profit and loss on a net basis within other gains/ (losses).

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:

(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 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

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 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 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 repairs and maintenance costs are recognized in profit or loss as incurred.

Capital work in progress, plant and equipment is 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 amortised over 2.5 years.

Notes forming part of the financial statements

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:

Tankers, Dry Bulk carriers, Cutters, Dredgers	25 years
Gas Carriers	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.

Assets costing less than ₹ 25,000/- are fully depreciated in the year of capitalization.

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.

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 20 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 derecognition.

1.9 Investment in subsidiaries

Investment in equity shares of subsidiaries are recorded at cost and reviewed for impairment at each reporting date.

1.10 Inventories

Bunker and Lubes on vessels are valued at lower of cost and Net Realisable Value ascertained on First in First out basis.

1.11 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. Bank Overdrafts are shown within borrowings in current liabilities in Balance sheet.

1.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

Notes forming part of the financial statements

1.13 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 therefore no impact on deferred tax

(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 recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

1.14 Provisions and Contingencies

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 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.

1.15 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

Notes forming part of the financial statements

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.

1.16 Leases

a) **Finance Lease**

Leases are classified as finance leases, if substantially all of the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

b) **Operating Lease**

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease.

A lease that transfers substantially all the risks and rewards incidental to ownership to company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

As a lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1.17 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) **Freight Income**

Income on account of freight is recognized in all cases where loading of the cargo is completed before the close of the year. All corresponding direct expenses are also provided.

b) **Cargo Handling**

Where loading of the cargo is not completed before the close of the year, revenue is not recognised and the corresponding expenses are also carried forward to the next year.

c) **Charter Hire Income**

Income from charter hire and demurrage earnings is recognized on accrual basis as per the terms of agreement.

d) **Dividend Income**

Dividend on investments is recognised when the right to receive the same is established by the balance sheet date.

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.

1.18 Incomplete Voyages

Incomplete voyages represent freight income and direct operating expenses on voyages which are not complete as at the balance sheet date.

1.19 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 amorised over the period of the facility to which it relates.

The fair value of the liability portion of an optionally convertible bonds is determined using a market interest

Notes forming part of the financial statements

rate for an equivalent non convertible bonds. 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 share holders 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 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.

1.20 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. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. 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.

1.21 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.

1.22 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.

1.23 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,

Notes forming part of the financial statements

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:

- 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 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 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 FVOCI) and equity instruments (measured at

Notes forming part of the financial statements

FVPTL) 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 are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI 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.

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 are recognized in Other Comprehensive Income. These gains/ loss 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.

Notes forming part of the financial statements

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.

1.24 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 expense as they fall due.

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. The actuarial gains and losses in respect of such benefit are charged to the other comprehensive income.

Notes forming part of the financial statements

2.1 Property, Plant, Equipment and Investment Property

(₹ in Lakhs)

Particulars	Freehold Land	Vessels	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
Deemed Cost							
At April 1, 2015	11.31	96,901.79	23.25	86.82	6.90	17.00	97,047.08
Additions	-	28,504.77	-	20.51	-	10.95	28,536.23
Disposals	-	-	-	-	3.12	11.40	14.52
Exchange differences	-	2,350.35	-	-	-	-	2,350.35
At March 31, 2016	**11.31**	**127,756.91**	**23.25**	**107.33**	**3.78**	**16.55**	**127,919.14**
Additions	-	6,507.63	-	-	14.26	-	6,521.89
Disposals	-	-	-	37.38	-	-	37.38
Exchange differences	-	(1,624.22)	-	-	-	-	(1,624.22)
At March 31, 2017	**11.31**	**132,640.32**	**23.25**	**69.95**	**18.04**	**16.55**	**132,779.43**
Depreciation and impairment							-
At April 1, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	-	12,660.55	4.74	26.67	0.85	11.25	12,704.06
Disposals	-	-	-	-	2.96	10.87	13.83
Other adjustments	-	(0.64)	-	-	-	-	(0.64)
At March 31, 2016	**-**	**12,661.19**	**4.74**	**26.67**	**(2.11)**	**0.38**	**12,690.87**
Depreciation charge for the year	-	14,679.36	2.27	17.19	4.58	6.58	14,709.98
Disposals	-	-	-	-	-	-	-
At March 31, 2017	**-**	**27,340.55**	**7.01**	**43.86**	**2.47**	**6.96**	**27,400.85**
Net book value							
At April 1, 2015	**11.31**	**96,901.79**	**23.25**	**86.82**	**6.90**	**17.00**	**97,047.08**
At March 31, 2016	**11.31**	**115,095.72**	**18.51**	**80.66**	**5.89**	**16.17**	**115,228.27**
At March 31, 2017	**11.31**	**105,299.77**	**16.24**	**26.09**	**15.57**	**9.59**	**105,378.58**

Note:

1 Vessels, Land and vehicle of Net book value of ₹ 1,02,757.82 Lakhs, ₹ 11.31 Lakhs and ₹ 13.91 Lakhs respectively has been charged/ mortgaged to the lenders (Refer Note 2.15)

2 Impairment testing for fleet

In view of pertinent slowdown in shipping industry, the Company has assessed 'recoverable amount' of each fleet by estimating their "value in use", in terms of IND-AS 36 "Impairment of Assets". 'Value in use' is estimated by applying appropriate discount rate to projected net cash inflows having regard to existing long term contracts, expected tariff based on past trends and costs to operate the fleet which represents the mangement's best estimate of the set of economic conditions that will exist over remaining useful life of each fleet. Based on the aforementioned assessment, it has been concluded that 'recoverable amount' of the fleet is higher than their respective carrying amount.

Notes forming part of the financial statements

2.2 Investment Property

(₹ in Lakhs)

Particulars	Investment in Property Office Premises
Deemed Cost	
At April 1, 2015	163.65
Additions	-
Disposals	-
Exchange differences	-
Other adjustments	(1.11)
At March 31, 2016	**162.54**
Additions	-
Disposals	-
Exchange differences	-
At March 31, 2017	**162.54**
Depreciation and impairment	
At April 1, 2015	**-**
Depreciation charge for the year	20.22
Disposals	-
Other adjustments	(0.64)
At March 31, 2016	**19.58**
Depreciation charge for the year	17.66
Disposals	-
At March 31, 2017	**37.24**
Net book value	
At April 1, 2015	**163.65**
At March 31, 2016	**142.96**
At March 31, 2017	**125.30**

Note:

1 Investment Property of net book value of ₹ 125.30 Lakhs is charged/mortgaged to the lender of one of the subsidiary

2 **Fair value of Investment property (Office Premises)**

Particulars	(₹ in Lakhs)
At April 1, 2015	1,204.74
At March 31, 2016	1,271.67
At March 31, 2017	1,338.60

3 **Estimation of Fair value**

The fair value of investment property is based on prevailing market rate and present condition of property based on the valuer's opinion and prudent judgement.

4 **Premises given on operating lease**

The company has given investment properties on operating lease. These lease arrangements are for a period of 5 years from 18th March 2016 to 17th March 2021 and has lock in period of 3 years from 18th March 2016 to 17th March 2019.

Notes forming part of the financial statements

5 Income from investment properties

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Rental Income derived from investment properties	60.00	16.76
Less: Direct operating expenses (including maintenance) generating rental income	6.28	6.94
Income arising from investment properties before depreciation	53.72	9.82
Less: Depreciation	17.66	20.22
Income from investment properties (net)	36.06	(10.40)

2.3 Investments

(₹ in Lakhs)

Particulars	Nos	As at March 31, 2017	Nos	As at March 31, 2016	Nos	As at April 1, 2015
Non Current Investments - At cost						
Trade investments (Unquoted)						
Investment in Equity Shares of Subsidiaries						
Mercator Oil and Gas Limited	150,000	15.00	150,000	15.00	150,000	15.00
Mercator International Pte Limited	100,000	28.80	100,000	28.80	100,000	28.80
Offshore Holdings Pte. Limited (formaly known as Mercator Offshore Holding Pte Limited) **	2	-	2	-	2	-
Mercator Petroleum Limited	15,300,000	1,530.00	15,300,000	1,530.00	15,300,000	1,530.00
Mercator Offshore (P) Pte Limited	13,992	4.57	13,992	4.57	13,992	4.57
Oorja Resources India Private Limited	25,000	2.50	25,000	2.50	25,000	2.50
Mercator FPSO Private Limited	10,000	1.00	10,000	1.00	10,000	1.00
**Cost ₹ 51/-						
Investment in Debentures of subsidiary						
6% Optionally Convertaible Unsecured Debentures in Mercator Petroleum Limited	30,630,000	3,063.00	18,030,000	1,803.00	-	-
Sub Total (A)		**4,644.87**		**3,384.87**		**1,581.87**
Others						
Investment in Equity Shares						
Marg Swarnabhoomi Port Private Limited	1,250	0.12	1,250	0.12	1,250	0.12
Non trade investments (Unquoted)						
Investment in Others						
Units of Indian Real Opportunity Venture Capital Fund	-	-	5,968	59.68	7,380	73.80
Sub Total (B)		**0.12**		**59.80**		**73.92**
Aggregate amount of Unquoted investments (A+B)		**4,644.99**		**3,444.67**		**1,655.79**

Notes forming part of the financial statements

2.4 Loans (Non Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured			
Considered good			
Loans and advances to related parties*	27,985.56	17,085.08	8,540.29
Security Deposits	263.91	273.92	274.53
Other deposits	322.45	309.46	85.23
Other deposits to related parties**	-	-	500.00
	28,571.92	**17,668.46**	**9,400.05**
* Loans and advances to related parties			
Mercator FPSO Private Limited	201.26	201.25	201.24
Mercator International Pte Limited	22,114.65	12,640.82	4,568.17
Mercator Petroleum Limited	5,669.65	4,227.32	3,770.88
Oorja Resources India Private Limited	-	15.69	-
	27,985.56	**17,085.08**	**8,540.29**
** Other deposits to related parties			
MLL Logistics Private Limited	-	-	500.00
	-	**-**	**500.00**

2.5 Other Financial Assets (Non Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fixed Deposits with bank with maturity more than 12 months	134.83	561.93	292.80
Accrued interest on fixed deposit with banks	15.69	39.09	4.79
Unamortized finance charges	100.00	-	-
	250.52	**601.02**	**297.59**

2.6 Other non current assets

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, Considered Good			
(a) Capital Advances			
Capital Advances	2,540.00	940.00	1,947.26
Capital Advances to related parties*	2,758.98	3,929.96	4,199.96
(b) Advance Other than Capital Advances			
Deposits with government and semi government bodies	6.34	6.33	3.04
(c) Other Advances			
Advance payment of tax (net of provisions)	11,503.24	10,256.01	8,788.63
MAT credit available	975.00	975.00	975.00
	17,783.56	**16,107.30**	**15,913.89**
* Capital Advances to related parties			
Vaitarna Marine Infrastructure Limited	2,758.98	4,199.96	4,199.96
Less: Provision made during the year	-	(270.00)	-
	2,758.98	3,929.96	4,199.96

Notes forming part of the financial statements

2.7 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
At Cost (Valued at lower of cost and net realisable value)			
Bunker and lubes	1,014.94	876.58	690.88
	1,014.94	**876.58**	**690.88**

2.8 Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured			
Considered good			
Trade receivables	17,429.21	14,039.88	21,569.82
Receivables from related parties	-	2,714.25	2,407.98
Considered doubtful			
Trade receivables	1,974.27	2,202.08	2,618.71
Less Allowances for doubtful debts	(1,974.27)	(2,202.08)	(2,618.71)
Total receivables	**17,429.21**	**16,754.13**	**23,977.80**

Refer Note 3.16(b) for information about credit risk of trade receivables

2.9 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Balances with banks	3,637.38	553.07	5,533.04
(ii) Cash in hand	8.86	5.97	2.22
	3,646.24	559.04	5,535.26
(iii) Fixed Deposits with bank with maturity more than 3 months but less than 12 months	3,221.05	772.00	627.56
	6,867.29	**1,331.04**	**6,162.82**
Balances with banks in unpaid dividend accounts	15.21	22.44	34.48
Balances with banks includes amount in escrow account	14.29	11.00	431.59
Balances with banks held as margin money deposits against guarantees	817.32	1,355.39	1,078.37

2.10 Loans (Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured			
Considered good			
Loans and advances to related parties*	6,496.51	5,253.75	7,098.39
Security Deposits	7.85	19.55	15.90
	6,504.36	**5,273.30**	**7,114.29**

Notes forming part of the financial statements

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
*Loans and advances to related parties			
Mercator Offshore (P) Pte Limited	123.13	505.96	477.38
Mercator Oil & Gas Limited	5,726.80	3,281.33	5,794.61
MCS Holdings Pte Limited	536.06	548.41	606.28
Mercator Projects Pte Ltd	18.12	18.54	16.19
Offshore Holdings Pte Ltd	92.40	899.51	203.93
	6,496.51	**5,253.75**	**7,098.39**

2.11 Other Financial Assets (Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Accrued interest on fixed deposit with banks	122.48	24.91	170.31
Unsecured			
Considered good			
Inter corporate deposits to related parties*	-	2,180.13	5,739.13
Inter corporate deposits to others	1,400.52	1,249.16	1,188.37
Insurance claim receivable	5,428.05	5,428.05	5,428.05
Unamortized finance charges	-	-	-
Other Receivables from related party**	2.99	3.06	2.81
Considered doubtful			
Inter corporate deposits to others	935.77	935.77	935.77
Advance to suppliers	-	-	714.56
	935.77	935.77	1,650.33
Less: Provision for doubtful advances	(935.77)	(935.77)	(1,650.33)
	-	-	-
	6,954.04	**8,885.31**	**12,528.67**
* Inter corporate deposits to related parties			
MLL Logistics Private Limited	-	2,180.13	5,739.13
	-	**2,180.13**	**5,739.13**
**Other Receivables			
Mercator Okoro FPU Pte Ltd	2.99	3.06	2.81
	2.99	**3.06**	**2.81**

2.12 Other current assets

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Prepaid expenses	106.42	148.84	322.33
Advance to employees	14.31	39.06	74.87
Advance to suppliers	2,881.85	1,869.51	3,705.31
Other Advances	813.62	-	-
Service tax receivable	152.79	203.93	193.34
	3,968.99	**2,261.34**	**4,295.85**

Notes forming part of the financial statements

2.13 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised			
35,00,00,000 Equity shares of Re 1/- par value each	3,500.00	3,500.00	3,500.00
200,00,000 Preference shares of ₹ 100/- par value each	20,000.00	20,000.00	20,000.00
	23,500.00	**23,500.00**	**23,500.00**
Issued Capital			
26,98,92,073 share (March 31, 2016: 24,48,92,073 and April 1, 2015: 24,48,92,073) Equity shares of ₹ 1 each			
Opening Balance	2,448.92	2,448.92	2,448.92
Increase during the year	250.00	-	-
Closing balance	**2,698.92**	**2,448.92**	**2,448.92**
Subscribed and Fully Paid Up Capital			
Opening Balance	2,448.92	2,448.92	2,448.92
Increase during the year	250.00	-	-
Closing Balance	**2,698.92**	**2,448.92**	**2,448.92**

Terms/Rights attached to Equity shares

The company has two class of shares referred to as equity shares having a face value of Re.1/- and preference shares having a face value of ₹ 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.

For the period of five years immediately preceding the date as at which the balance sheet is prepared:

(i) No shares were allotted pursuant to contracts without payment being received in cash.

(ii) No bonus shares were issued.

(iii) No shares were bought back.

Details of shareholders holding more than 5 percent equity shares in the company:

(₹ in Lakhs)

Name of the shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Equity shares of Re. 1 each fully paid	No of shares	% of holding	No of shares	% of holding	No of shares	% of holding
H. K. Mittal	46,766,700	17.33	46,766,700	19.10	46,654,200	19.05
Archana Mittal	27,027,400	10.01	26,327,400	10.75	26,327,400	10.75
AHM Investments Private Limited	18,406,250	6.82	18,406,250	7.52	18,406,250	7.52
Goverment of Singapore	15,366,840	5.69	-	-	-	-
Albula Investment Fund Ltd	-	-	12,436,005	5.08	-	-
Lotus Global Investments Limited	-	-	-	-	14,229,669	5.81

Notes forming part of the financial statements

2.14 Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Reserve	4,289.49	4,289.49	4,289.49
Capital Redemption Reserve	4,000.00	4,000.00	4,000.00
Securities Premium	46,083.18	36,374.92	36,374.92
Tonnage Tax Reserve	1,538.31	1,538.31	1,180.91
Debenture Redemption Reserve	2,500.00	3,750.00	3,750.00
General Reserve	15,224.93	14,012.06	13,721.94
Foreign Currency Monetary Item Translation Difference Account	1,215.95	893.77	1,241.84
Hedging Reserve	-	(1,018.89)	(1,153.00)
Retained earnings	4,574.39	8,871.58	7,218.52
Deemed Equity components on FCCB	35.81	35.81	-
Closing	**79,462.06**	**72,747.04**	**70,624.64**

Nature of Reserves

Capital Reserve

Capital reserve is utilised in accordance with provisions of the act

Capital Redemption Reserve

Capital Redemption reserve (CRR) is being created as per Section 80 (d) of Companies Act 2013

Security Premium

This reserve is created and utilised as per the provisions of the act

Debenture Redemption reserve

The company is required to create a debenture redemption reserve out of the profits which is availaible for redemption of debentures

General Reserve

General Reserve represents appropriation of retained earnings and are available for distribution to Shareholders

Retained earnings

Retained earnings represents surplus/ accumulated earnings of the company and are available for distribution to shareholders.

Tonnage Reserve

These reserves are mandatory under the Income Tax Act, 1961 for companies who opt for the Tonnage Tax scheme prescribed under the said Act.

Hedging reserve

This records the movement in the value of cash flow hedges

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 borowings 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

Deemed Equity

Represents deemed equity portion of FCCB as per IND AS.

Note:

Proposed dividend on equity shares not recognised

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Final dividend for the year ended (₹ 0.05 per share(Previous year ₹ 0.10 per share)*	134.95	244.89
Dividend distribution tax on proposed dividend	27.47	49.85
Total	**162.42**	**294.74**

*The Company has declared Dividend @ ₹ 0.05 per share(P.Y. ₹ 0.10 per share) as proposed by Board of Directors and is subject to approval at the ensuing Annual General Meeting of Shareholders.

Notes forming part of the financial statements

2.15 Borrowings (Non current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured			
(A) Debentures	5,000.00	10,000.00	15,000.00
(B) Term loans from Banks			
(i) External Commercial Borrowings	14,833.45	18,312.13	13,525.90
(ii) Term loans	46,955.76	33,009.17	31,089.15
Unsecured			
(C) Foreign Currency Convertible Bonds (FCCB)	9,064.44	8,784.43	7,876.85
	75,853.65	**70,105.73**	**67,491.90**

Notes:

Security details

(i) **Secured**

a) Debentures referred in (A) above are secured by first paripasu charge on specified vessels and first pari- passu charge on the specified immovable property of the company.

b) External Commercial Borrowings referred in (B)(i) above are secured by exclusive/first pari passu charge on specified vessels of the company as well as charge on cash flows of specified vessels.

c) Term Loans refered in (B)(ii) above are secured by exclusive/first pari passu charge on specified vessels, as charge on cash flows of specified vessels.

(ii) **Unsecured**

FCCB referred in (C) are convertible upon exercise of option during the period May 27, 2014 till April 27, 2019 at initial conversion price of ₹ 38.30 Per Share (at a fixed rate of exchange on conversion of ₹ 58.5740 per 1 USD). The maturity date of FCCB is May 27, 2019

(iii) **Terms of repayment and interest are as follows:**

(₹ in Lakhs)

Description	ROI*	Balance installments as on 31.03.2017	Year of maturity F.Y. ending	Amount outstanding 31.03.2017	Amount outstanding 31.03.2016	Amount outstanding 31.03.2015
Debentures	12.40%	2	2019	10,000.00	15,000.00	15,000.00
Term Loan	12.25%	0	2017	-	4,784.54	6,364.82
Term Loan	12.45%	0	2017	-	3,295.05	4,388.71
Term Loan	9.49%	22	2019	10.68	15.81	-
Term Loan	Libor+3.25%	0	2017	-	3,146.43	5,932.06
External Commercial Borrowing	Libor+3.00%	0	2016	-	-	3,902.56
External Commercial Borrowing	Libor+5.00%	4	2019	2,107.25	2,404.57	2,503.63
External Commercial Borrowing	Libor+3.40%	17	2022	10,374.18	11,939.92	11,266.34
External Commercial Borrowing	Libor+3.40%	20	2022	5,418.18	6,944.73	-
Term Loan	Libor+5.00%	12	2020	2,847.62	3,335.27	1,018.70
Term Loan	Libor+5.60%	20	2022	12,204.12	14,431.45	15,135.35
Term Loan	Libor+2.60%	0	2017	-	2,682.06	3,625.59
Term Loan	Libor+4.50%	10	2020	2,699.68	3,570.31	8,925.76
Term Loan	Libor+4.50%	8	2020	2,807.51	3,979.97	-
Term Loan	Libor+4.50%	20	2022	3,713.45	4,442.79	-
Term Loan	Libor+5.50%	13	2021	4,163.50	5,548.73	-
Term Loan	Libor+5.20%	20	2022	11,230.31	-	-
Term Loan	Libor+4.50%	28	2025	9,147.26	-	-
Term Loan	8.45%	24	2023	3,030.36	-	-
Term Loan	8.45%	24	2024	4,241.04	-	-
FCCB	4.75%	1	2020	9,064.44	8,784.43	7,876.85
				93,059.58	**94,306.06**	**85,940.37**
Less: Shown in current maturities of long term debt				17,205.93	24,200.33	18,448.47
Balance shown as above				**75,853.65**	**70,105.73**	**67,491.90**

* Applicable Rate of Interest p.a as on March 31, 2017

Notes forming part of the financial statements

2.16 Other financial Liabilities (Non Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Liability towards cash flow hedges (Refer note 3.16(a)(iv)	-	509.44	864.75
Security Deposit	18.00	18.00	-
	18.00	**527.44**	**864.75**

2.17 Provision (Non Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits			
Gratuity	122.39	122.49	197.75
Compensated absences	56.58	62.57	60.40
	178.97	**185.06**	**258.15**

2.18 Borrowings (Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured			
From Banks			
Bank Overdrafts	2,748.03	3,036.38	1,958.50
Other Loans	3,600.00	-	-
Unsecured			
From Banks			
Bank Overdrafts	1,997.62	1,971.83	1,864.82
	8,345.65	**5,008.21**	**3,823.32**

Bank Overdraft facilities from Scheduled Banks are secured by first charge on all receivables on pari-passu basis and second charge on specefied vessels. Other loans are secured against shares of the Company held by a promotor.

2.19 Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total Outstanding of			
- Micro, small and medium enterprises (MSME)(refer Note 3.10)	-	-	-
- Other than micro and small enterprises*	12,746.82	10,137.47	12,798.07
	12,746.82	**10,137.47**	**12,798.07**
*Includes payable to subsidiary companies	2,870.27	-	559.62
	2,870.27	**-**	**559.62**

Refer Note 3.16(c) for information about liquidity risk of Trade Payables

Notes forming part of the financial statements

2.20 Other financial liabilities (Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current maturities of long-term debt			
1) Debentures (Refer Note 2.15 (a))	5,000.00	5,000.00	-
2) External commercial borrowings (Refer Note 2.15(b)(i))	3,066.16	2,977.10	4,146.64
3) Term loans from banks (Refer Note 2.15 (b)(ii))	9,139.77	16,223.23	14,301.83
Salaries & wages payable	46.22	123.47	14.96
Other payables*	145.77	195.50	6.28
Liability towards cash flow hedges (Refer Note 3.16(a)(iv))	549.37	509.44	288.25
Interest accrued but not due on borrowings	1,229.20	1,426.58	1,380.55
Interest accrued and due on borrowings	-	11.08	19.72
Unpaid dividend**	15.21	22.44	34.48
	19,191.70	**26,488.84**	**20,192.71**
* Includes payable to subsidiary companies	**-**	**4.82**	**-**

** There is no amount, due and outstanding, to be credited to Investor Education and Protection Fund.

2.21 Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
For Other liabilities			
Statutory dues payables	769.69	801.05	702.99
Advance from customers*	114.17	90.15	0.83
	883.86	**891.20**	**703.82**
* Includes payable to subsidiary companies	**-**	**1.88**	**-**

2.22 Provision (Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits			
Gratuity	87.68	13.61	21.98
Compensated absences	26.39	20.86	20.13
	114.07	**34.47**	**42.11**

2.23 Revenue from operations

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Freight/Dispatch and demurrage	27,170.38	29,154.83
Charter hire	26,662.77	26,538.82
Cargo handling services	-	3,170.73
	53,833.15	**58,864.38**

Notes forming part of the financial statements

2.24 Other income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Dividend received from subsidiary company	-	150.49
Rent received	60.00	16.76
Interest income		
- Fixed Deposits and Inter corporate deposits	600.36	665.07
- others	1,523.79	1,308.87
Gain on sale of non-current investments	-	1.63
Bad Debts and other amounts written off/back (net)	-	9.25
Other income	865.47	110.72
	3,049.62	**2,262.79**

2.25 Operating expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Bunker consumed	8,883.42	8,023.83
Vessel /Equipment hire expenses	3,423.05	3,797.37
Crew Expenses	9,001.20	8,412.76
Agency, Professional and service expenses	691.35	795.37
Communication expenses	181.34	142.47
Commission	5.47	6.97
Dispatch & Demurrage	587.23	33.65
Insurance	1,181.08	1,355.28
Port expenses	420.24	529.51
Repairs and maintenance	5,869.09	6,974.11
Stevedoring, transport and freight	174.04	1,656.06
Miscellaneous expenses	275.48	206.90
	30,692.98	**31,934.28**

2.26 Employee benefits expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Salaries, wages, bonus, etc.	1,435.04	1,976.86
Contribution to provident and other funds	66.28	67.05
Employee welfare expenses	24.36	25.95
	1,525.68	**2,069.86**

2.27 Finance cost

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Interest expense	9,155.38	8,144.95
Other borrowing costs	534.21	1,138.50
	9,689.59	**9,283.45**

Notes forming part of the financial statements

2.28 Other expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Rent	227.85	401.41
Payment to auditors		
As auditors	28.00	25.00
For other services (certification and other matters)	12.36	21.56
Repairs and maintenance (office premises and premises acquired on lease)	104.47	124.89
Insurance	13.61	28.35
Legal, Professional and consultancy expenses	496.59	456.17
Donation	6.05	0.25
Communication expenses	32.51	38.21
Conveyance, car hire and travelling	138.68	176.45
Advertisement	3.03	5.85
Loss on sale of assets (net)	35.87	0.40
Loss on sale of non-current investments	57.50	-
Bad Debts and other amounts written off/back (net)	-	43.16
Net Loss on foreign currency transactions/translation	162.72	610.46
Provision for doubtful debts/advances	643.03	270.00
Miscellaneous expenses	323.52	335.47
	2,285.79	**2,537.63**

3. OTHER DISCLOSURES

3.1 Contingent Liabilities not provided for

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Counter guarantees issued by the Company for guarantees obtained from bank (net of margin).	11,002.52	11,482.27
Letter of Comforts issued by the Company on behalf of Subsidiary	4798.06	-
TOTAL	**15,800.58**	**11,482.27**

3.2 Claims against the Company not acknowledged as debts in respect of following items:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
In respect of Income Tax matters*	12,682.90	11,649.57
In respect of Service Tax matters	6,402.87	6,396.73
Others	3,994.35	3,788.43

* Against the above, the company has already paid ₹ 4,075.09 Lakhs (P.Y. ₹ 3,918.46 Lakhs)

3.3 Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) as at March 31, 2017 ₹ NIL (P.Y. ₹ NIL).

3.4 Exceptional item as at March 31, 2017 ₹ 915.62 lakhs (P.Y. ₹ NIL) relates to termination of cash flow hedge contracts.

Notes forming part of the financial statements

3.5 Disclosures in accordance with Ind AS -19 on "Employee Benefits":

(A) **Defined Contribution Plans:**

The Company has recognized the following amounts in the Statement of Profit and Loss for the year:

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
i	Contribution to Employees' Provident Fund (Includes Contribution to Seamen's Provident Fund)	60.70	77.50
	Total	**60.70**	**77.50**

(B) **Defined Benefit Plans:**

General Description of Significant Defined Benefit Plans:

Gratuity Plan:

Gratuity is payable to all eligible employees of the company as per the provisions of the Payment of Gratuity Act, 1972. Gratuity is payable on resignation/retirement of the employee who has completed five years of continuous service.

(i) **Changes in Defined Benefit Obligation (Gratuity)**

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Defined Benefit Obligation at the beginning	**136.10**	**219.72**
Current Service Cost	22.99	32.60
Past Service Cost	-	-
(Gain) / Loss on settlements	-	-
Interest Expense	9.82	17.58
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(26.81)	(11.82)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	4.98	-
Remeasurements - Due to Experience Adjustments	62.99	(121.98)
Defined Benefit Obligation at the end	**210.07**	**136.10**

Notes forming part of the financial statements

(ii) Change in Fair Value of Plan Assets (Gratuity)

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Fair Value of Plan Assets at the beginning	-	-
Interest Income	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	26.81	11.82
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(26.81)	(11.82)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	-	-
Fair Value of Plan Assets at the end	-	-

(iii) Components of Defined benefit cost (Gratuity)

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Current Service Cost	22.99	32.60
Past Service Cost	-	-
(Gain) / Loss on settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	**22.99**	**32.60**
Interest Expense on Defined Benefit Obligation	9.82	17.58
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	**9.82**	**17.58**
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in Statement of Profit & Loss	**32.81**	**50.17**
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	4.98	(121.98)
Remeasurements - Due to Experience Adjustments	62.99	-
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in Other Comprehensive Income	**67.97**	**(121.98)**
Total Defined Benefit Cost recognized in the Statement of Profit & Loss and Other Comprehensive Income	**100.78**	**(71.80)**

Notes forming part of the financial statements

(iv) Net defined Benefit Liability/ (Asset) reconciliation (Gratuity)

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Net Defined Benefit Liability / (Asset) at the beginning	**136.10**	**219.72**
Defined Benefit Cost included in P & L	32.81	50.17
Total Remeasurements included in OCI	67.97	(121.98)
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	(26.81)	(11.82)
Employer Direct Benefit Payments	-	-
Employer Direct Settlement Payments		
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at the end	**210.07**	**136.10**

(v) Amounts recognized in the Balance Sheet

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Gratuity	Gratuity
Defined Benefit Obligation	210.07	136.10
Fair Value of Plan Assets	-	-
Funded Status	**210.07**	**136.10**
Effect of Asset Ceiling/Onerous Liability	-	-
Net Defined Benefit Liability/(Asset)	**210.07**	**136.10**
Of which, Short term Liability	**87.68**	**13.61**

(vi) Following are the Principal Acturial Assumptions used as at the Balance sheet date:

(₹ in Lakhs)

Sr. No.	Particulars	FY 2016-17	FY 2015-16
a	Discount Rate	7.50%	8.00%
b	Salary Escalation Rate	8.00%	8.00%
c	Staff Turnover Rate	10% to 2% p.a. age related on graduated scale	10% to 2% p.a. age related on graduated scale
d	Mortality Table	Indian Assurance Lives mortality (2006-08) Ultimate	Indian Assurance Lives mortality (2006-08) Ultimate

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Notes forming part of the financial statements

Experience adjustments

(₹ in Lakhs)

Experiences	2013	2014	2015	2016	2017
Defined Benefit Obligation at the end of the period	215.22	188.00	219.72	136.10	210.07
Plan Assets	N A	N A	N A	N A	N A
Surplus / (Deficit)	N A	N A	N A	N A	N A
Experience adjustments of Obligation [Gain/ (Loss)]	77.34	59.78	7.49	121.98	(67.97)
Experience adjustments on Plan Assets	N A	N A	N A	N A	N A

(vii) Maturity Profile of Defined Benefit Obligation :

(₹ in Lakhs)

Particulars	2017	2016
Year 1	87.68	87.85
Year 2	7.97	7.22
Year 3	12.32	15.16
Year 4	7.18	15.50
Total expected payments from year 5 to year 10	**110.59**	**219.67**

(viii) Sensitivity Analysis

Gratuity	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities
Discount rate	100 bps	(4.6%)	5.2%	100 bps	(5.5%)	6.2%
Salary Escalation Rate	100 bps	5.6%	(5.1%)	100 bps	6.5%	(5.9%)
Withdrawl Rate	100 bps	(0.3%)	0.3%	100 bps	-	-

3.6 Segment Reporting

In accordance with Accounting standard Ind AS 108 'Operating Segment', segment information has been given in the consolidated financial statements of Mercator Ltd, and therefore, no separate disclosure on segment information is given in these financial statements.

Notes forming part of the financial statements

3.7 Related Party Disclosures (as per Accounting Standard (Ind AS) 24 "Related Party Disclosures'- As per Annexure 'A'

A List of Related Parties

I Subsidiaries - Fellow/ Step down subsidiaries

1 Mercator International Pte Limited (MIPL) (Singapore)
2 Mercator Oil and Gas Limited (MOGL) (India)
3 Mercator Petroleum Limited (India)
4 Oorja Resources India Private Limited (India)
5 Mercator FPSO Private Limited (India)
6 Offshore Holdings Pte Limited (Singapore)
7 Oorja Holdings Pte.Limited (OHL) (Singapore)
8 Mercator Energy Pte Limited (Singapore)
9 Mercator Projects Pte Ltd (Singapore) (Upto 17.03.2017)
10 Mercator Offshore Assets Holding Pte Limited (Singapore)
11 Mercator Okwok FPU Pte Limited (Singapore) (Upto 03.03.2017)
12 Mercator Okoro FPU Pte Limited (Singapore) (Upto 03.03.2017)
13 Mercator Offshore (P) Pte Limited (Singapore)
14 Ivorene Oil Services Nigeria Limited (Upto 20.02.2017)
15 Panther Resources Pte Ltd (Singapore)
16 Oorja (Batua) Pte Limited (Singapore)
17 Oorja 1 Pte Limited (Singapore)
18 Oorja 2 Pte Limited (Singapore)
19 Oorja 3 Pte Limited (Singapore)
20 Oorja Mozambique Limitada (Mozambique)
21 MCS Holdings Pte Limited (Singapore)
22 PT Karya Putra Borneo (Indonesia)
23 PT Indo Perkasa (IPK) (Indonesia)
24 Oorja Indo Petangis Four (Indonesia)
25 Oorja Indo Petangis Three (Indonesia)
26 Oorja Indo KGS (Indonesia)
27 Broadtec Mozambique Minas Limitada (Mozambique)
28 PT Mincon Indo Resources (Jakarta)
29 Bima Gema Permata PT (Jakarta)
30 Nuansa Sakti Kencana PT (Jakarta)
31 Mercator Global Pte. Ltd. Singapore (Upto 07.11.2016)
32 Brio Resources Pte Ltd- Singapore.
33 Marvel Value International Limited (BV)

II Key Management Personnel

1 Mr. H.K Mittal- Executive Chairman
2 Mr. A.J. Agarwal- Managing Director (Upto 30.09.2016)
3 Mr. Kishore Shah - Group Chief Financial Officer (Upto 12.11.2016)
4 Mr. Prasad Patwardhan- Chief Financial Officer
5 Mr. Deepesh Joishar -Company Secretary (Upto 28.02.2017)
6 Mr. Shalabh Mittal -Chief Executive Officer (from 27.05.2016)

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)- Chartiable 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

IV Enterprises over which Directors/Relative of Directors/Key Management Personnel/Relative of Key Management Personnel exercise significant influence.(With whom transaction have taken place)

1 MLL Logistics Private Limited

Notes forming part of the financial statements

B Details of Transactions with above parties

(₹ in Lakhs)

Name of the Transaction	Subsidiary Companies		Enterprises over which Key Management Personnel exercise significant control		Enterprises over which Directors/Relative of Directors/Key Management Personnel/Relative of Key Management Personnel exercise significant influence.		Total	
	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr
Services Rendered	500.00	281.95	-	-	-	-	500.00	281.95
Interest Income	1,433.76	1,308.87	-	-	126.47	461.70	1,560.23	1,770.57
CSR Expenditure	-	-	5.00	-	-	-	5.00	-
Services Received	-	-	-	-	-	2,429.31	-	2,429.31
Purchase of capital Asset	-	5,080.00	-	-	-	-	-	5,080.00
Investment made during the year	1,260.00	1,803.00	-	-	-	-	1,260.00	1,803.00
Reimbursments of Expenses Paid	-	-	3.32	-	-	-	3.32	-
Reimbursments of Expenses Received	722.76	1,387.37	0.56	1.51	-	-	723.32	1,388.88
Finance Provided								
Loans								
Loans Given during the Year	21,420.48	42,948.34	-	-	-	-	21,420.48	42,948.34
Loans Repaid During the Year	9,825.90	37,676.97	-	-	-	-	9,825.90	37,676.97
Inter Corporate Deposits repaid during the year	-	-	-	-	2,180.13	3,554.00	2,180.13	3,554.00
Advances								
Guarantees and Comfort Letters								
Guarantees Given	-	33.17	-	-	-	-	-	33.17
Outstanding as on 31.03.2017								
Comfort Letter	4,798.06	-	-	-	-	-	4,798.06	-
Guarantees	52,234.86	113,686.53	-	-	-	-	52,234.86	113,686.53
Counter Guarantees	1,699.76	1,560.34	-	-	-	-	1,699.76	1,560.34
Outstanding balances as on 31.03.2017								
Loans Advances and Receivables								
Loans	34,739.87	22,590.53	-	-	-	-	34,739.87	22,590.53
Capital Advances	-	-	2,758.98	3,929.96	-		2,758.98	3,929.96
Receivables	123.13	172.18	-	-	-	-	123.13	172.18
Outstanding Balances of Trade Receivable and Trade payables as on 31.03.2017								
Trade and Other Receivables	2,393.43	2,471.12	-	70.74	-	2,714.25	2,393.43	5,256.11
Trade and Other Payables	5,641.65	2,898.64	194.78	6.48	-	-	5,836.43	2,905.12
Advance Received during the year	2,861.99	-	-	-	-	-	2,861.99	-
Inter Corporate Deposit								
Balance as on 31.03.2017	-	-	-	-	-	2,180.13	-	2,180.13
Deposit			-					
Balance as on 31.03.2017	-	-	-	15.00	-	-	-	15.00

Notes forming part of the financial statements

(C) Partywise details of material transactions

(₹ in Lakhs)

Name of the Transaction	Subsidiary Companies		Enterprises over which Key Management Personnel exercise significant control		Enterprises over which Directors/ Relative of Directors/Key Management Personnel/Relative of Key Management Personnel exercise significant influence.		Total	
	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr
Services Rendered								
Mercator Petroleum Limited	500.00	63.41	-	-	-	-	500.00	63.41
MCS Holdings Pte Limited	-	43.30	-	-	-	-	-	43.30
Oorja Resources India Private Limited	-	175.24	-	-			-	175.24
Total	**500.00**	**281.95**	**-**	**-**	**-**	**-**	**500.00**	**281.95**
Interest Income								
Mercator International Pte Limited	611.00	499.67	-	-	-	-	611.00	499.67
Mercator Petroleum Ltd	477.39	386.58	-	-	-	-	477.39	386.58
Mercator Oil & Gas Limited	332.91	409.12	-	-	-	-	332.91	409.12
MLL Logistics Private Limited	-	-	-	-	126.47	461.70	126.47	461.70
Total	**1,421.30**	**1,295.38**	**-**	**-**	**126.47**	**461.70**	**1,547.76**	**1,757.08**
Contribution to CSR								
Prem Punita Foundation	-	-	5.00	-	-	-	5.00	-
Total	**-**	**-**	**5.00**	**-**	**-**	**-**	**5.00**	**-**
Services Received								
MLL Logistics Private Limited						1.80	-	1.80
Vaitarna Marine Infrastructure Limited	-	-	2,175.98	2,421.03	-	-	2,175.98	2,421.03
Total	**-**	**-**	**2,175.98**	**2,421.03**	**-**	**1.80**	**2,175.98**	**2,422.83**
Purchase of Capital Asset								
Mercator Lines (Singapore) Limited	-	5,080.00	-	-	-	-	-	5,080.00
Total	**-**	**5,080.00**	**-**	**-**	**-**	**-**	**-**	**5,080.00**
Investment made during the year								
Mercator Petroleum Limited	1,260.00	1,803.00	-	-	-	-	1,260.00	1,803.00
Total	**1,260.00**	**1,803.00**	**-**	**-**	**-**	**-**	**1,260.00**	**1,803.00**
Reimbursments of Expenses Paid								
Ankur Fertilizers Private Limited			3.32	-			3.32	-
Total	**-**	**-**	**3.32**	**-**	**-**	**-**	**3.32**	**-**
Reimbursments of Expenses Received								
Mercator Lines (Singapore) Limited	-	593.07	-	-	-	-	-	593.07
Mercator Offshore Holdings Pte. Limited (Net)	690.23	695.58	-	-	-	-	690.23	695.58
Vaitarna Marine Infrastructure Limited	-	-	0.56	1.51	-	-	0.56	1.51
Total	**690.23**	**1,288.65**	**0.56**	**1.51**	**-**	**-**	**690.79**	**1,290.16**
Finance Provided								
(including Loans & Equity Contribution)								
Loans Given during the Year								
Mercator International Pte Limited	18,113.18	35,235.48	-	-	-	-	18,113.18	35,235.48
Total	**18,113.18**	**35,235.48**	**-**	**-**	**-**	**-**	**18,113.18**	**35,235.48**

Notes forming part of the financial statements

(₹ in Lakhs)

Name of the Transaction	Subsidiary Companies		Enterprises over which Key Management Personnel exercise significant control		Enterprises over which Directors/ Relative of Directors/Key Management Personnel/Relative of Key Management Personnel exercise significant influence.		Total	
	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr
Loans Repaid During the Year								
Mercator Oil & Gas Limited	725.50	6,360.00	-	-	-	-	725.50	6,360.00
Mercator International Pte Limited	8,766.63	27,098.31	-	-	-	-	8,766.63	27,098.31
Total	**9,492.13**	**33,458.31**	**-**	**-**	**-**	**-**	**9,492.13**	**33,458.31**
Inter Corporate Deposits repaid during the year								
MLL Logistics Private Limited	-	-	-	-	2,180.13	3,554.00	2,180.13	3,554.00
Total	**-**	**-**	**-**	**-**	**2,180.13**	**3,554.00**	**2,180.13**	**3,554.00**
Advances received during the year								
Oorja Resources India Pvt Ltd.	2861.99	-	-	-	-	-	2861.99	-
Total	**2861.99**	**-**	**-**	**-**	**-**	**-**	**2861.99**	**-**
Guarantees and Comfort Letters								
Guarantees Given								
Mercator Petroleum Limited	-	33.17	-	-	-	-	-	33.17
Total	**-**	**33.17**	**-**	**-**	**-**	**-**	**-**	**33.17**
Comfort Letters / Guarantees / Counter Guarantees Outstanding as on 31.03.2017								
Brio Resources Pte Ltd	4,798.06	-	-	-	-	-	4,798.06	-
Total	**4,798.06**	**-**	**-**	**-**	**-**	**-**	**4,798.06**	**-**
Guarantees								
Mercator International Pte Limited	11,508.85	19,661.07	-	-	-	-	11,508.85	19,661.07
Mercator Offshore (P) Pte Limited	-	42,254.06	-	-	-	-	-	42,254.06
Mercator Oil and Gas Limited	21,574.62	23,573.29	-	-	-	-	21,574.62	23,573.29
MCS Holdings Pte. Ltd	15,541.81	19,899.87	-	-	-	-	15,541.81	19,899.87
Total	**48,625.28**	**105,388.28**	**-**	**-**	**-**	**-**	**48,625.28**	**105,388.28**
Counter Guarantees								
Mercator Petroleum Limited	1,699.76	1,560.34	-	-	-	-	1,699.76	1,560.34
Total	**1,699.76**	**1,560.34**	**-**	**-**	**-**	**-**	**1,699.76**	**1,560.34**
Outstanding balances as on 31.03.2017								
Loans ,Advances and Receivables								
Loans								
Mercator International Pte Limited	24,886.03	15,539.48	-	-	-	-	24,886.03	15,539.48
Mercator Oil & Gas Limited	4,956.01	2,843.51	-	-	-	-	4,956.01	2,843.51
Mercator Petroleum Limited	4,696.57	3,663.55	-	-	-	-	4,696.57	3,663.55
Total	**34,538.61**	**22,046.54**	**-**	**-**	**-**	**-**	**34,538.61**	**22,046.54**
Capital Advances								
Vaitarna Marine Infrastructure Limited			2,758.98	3,929.96	-	-	2,758.98	3,929.96
Total	**-**	**-**	**2,758.98**	**3,929.96**	**-**	**-**	**2,758.98**	**3,929.96**
Receivables								
Mercator Offshore (P) Pte. Limited.	123.13	172.18	-	-	-	-	123.13	172.18
Total	**123.13**	**172.18**	**-**	**-**	**-**	**-**	**123.13**	**172.18**

Notes forming part of the financial statements

(₹ in Lakhs)

Name of the Transaction	Subsidiary Companies		Enterprises over which Key Management Personnel exercise significant control		Enterprises over which Directors/ Relative of Directors/Key Management Personnel/Relative of Key Management Personnel exercise significant influence.		Total	
	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr
Outstanding Balances of Trade and Other Receivables & Payables as on 31.03.2017								
Trade and Other Receivables								
MLL Logistics Private Limited	-	-	-	-	-	2,714.25	-	2,714.25
Mercator Oil & Gas Ltd	770.79	437.82	-	-	-	-	770.79	437.82
Mercator Petroleum Limited	973.08	563.77	-	-	-	-	973.08	563.77
MCS Holdings Pte Limited	536.06	548.41	-	-	-	-	536.06	548.41
Vaitarna Marine Infrastructure Limited				70.74			-	70.74
Mercator Offshore Holdings Pte Limited	92.40	899.51			-	-	92.40	899.51
Total	**2,372.32**	**2,449.51**	**-**	**70.74**	**-**	**2,714.25**	**2,372.32**	**5,234.50**
Trade and Other Payables								
Mercator International Pte Limited	2,771.38	2,898.64	-	-	-	-	2,771.38	2,898.64
Oorja Resources India Pvt Ltd	2,870.27	-					2,870.27	-
Vaitarna Marine Infrastructure Limited			190.58	-	-	-	190.58	-
Total	**5,641.65**	**2,898.64**	**190.58**	**-**	**-**	**-**	**5,832.23**	**2,898.64**
Inter Corporate Deposit								
Balance as on 31.03.2017								
MLL Logistics Private Limited	-	-	-	-	-	2,180.13	-	2,180.13
Total	**-**	**-**	**-**	**-**	**-**	**2,180.13**	**-**	**2,180.13**
Deposit								
Balance as on 31.03.2017								
Rishi Holdings Private Limited.	-	-	-	15.00	-	-	-	15.00
Total	**-**	**-**	**-**	**15.00**	**-**	**-**	**-**	**15.00**
Remuneration paid to Key Management Personnel	342.35	325.63			-	-	342.35	325.63
Total	**342.35**	**325.63**	**-**	**-**	**-**	**-**	**342.35**	**325.63**

(D) Compensation of key management personnel of the company*

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Short-term employee benefits	342.35	325.63
Post-employment benefitrs	-	-
Termination benefits	-	-
Share-based payments	-	-
Total compensation paid to key management personnel	**342.35**	**325.63**

*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 recognized 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.

E) Sitting Fees Paid to Non-Executive Directors

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Director sitting Fees	22.00	28.50

Notes forming part of the financial statements

3.8 Disclosure as per Ind AS 17 "Leases":

(A) In respect of Operating Leases (as Lessee):

(₹ in Lakhs)

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a)	Operating Leases		
	Disclosures in respect of cancellable agreements for office premises taken on lease		
	(i) Lease payments recognized in the Statement of Profit and Loss	228.60	370.48
	(ii) Significant leasing arrangements		
	The Company has given refundable interest free security deposits under the agreements.		
	The lease agreements are upto 4 to 63 months.		
	These agreements also provide 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

(B) In respect of Operating Leases (as Lessor):

(₹ in Lakhs)

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a)	Operating Leases		
	Disclosures in respect of cancellable agreements for office premises given on lease		
	(i) Lease payments recognized in the Statement of Profit and Loss	60.00	16.76
	(ii) Future minimum lease payments under non-cancellable agreements		
	- Not later than one year	60.00	60.00
	- Later than one year and not later than five years	60.00	120.00
	- Later than five years	NIL	NIL

General Description of leasing arrangement

(i) Leased Assets: Premises, Godown

(ii) Future lease rentals are determined as per Agreements.

3.9 Disclosure as per Ind AS 33 "Earning Per Share":

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net Profit for the period		
- Basic and Diluted	(3,115.39)	2,602.73
Weighted average number of Shares used in computing Earning Per Share		
- Basic and Diluted	249,549,607	244,892,073
Earning per share (equity shares of face value Re 1/-)		
- Basic and Diluted (in ₹)	(1.25)	1.06

Notes forming part of the financial statements

3.10 Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Details relating to Micro, Small and Medium enterprises a) Amount remaining unpaid to any supplier at the end of the year: - Principal - Interest	-	-
b) The amount of interest paid by the buyer as per Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
Note: (The above information is given on the basis of intimation received by the Company.)		

The Company has not received any intimation from its vendors regarding the status under the Micro, Small and Medium Enterprise Development Act, 2006. The above information is based on the information compiled by the company and relied upon by the auditors.

3.11 Tonnage Tax Reserve

In terms of section 115VT of the Income Tax Act, 1961, the company is required to transfer amounts out of its profit to Tonnage Tax Reserve. During the year, the company has transferred ₹ NIL Lakhs (P.Y. ₹ 357.40 Lakhs) to Tonnage Tax Reserve.

Notes forming part of the financial statements

3.12 Details of loans given, Investments made and guarantee given covered u/s 186(4) of the Companies Act, 2013

Loans & Advances given, Investments made and corporate guarantees taken on behalf of Subsidiaries are given under the respective heads

a) **Loans and Advances given during the year**

(₹ in Lakhs)

Loans & Advances Given	*Opening balance	*Additions during the year	*Deletions during the year	*Closing Balance
Mercator FPSO Private Limited	201.25	0.02		201.26
Mercator International Pte. Limited	12,640.83	18,800.98	9,327.16	22,114.65
Mercator Petroleum Limited	4,227.33	1,500.86	58.53	5,669.65
Mercator Offshore (P) Pte. Limited	505.96	38.35	421.17	123.13
Mercator Oil & Gas Limited	3,281.33	3,253.82	808.35	5,726.80
Oorja Resources India Private Ltd	15.69	-	15.69	-
MCS Holdings Pte. Limited	548.41	0.14	12.50	536.06
Mercator Projects Pte. Limited	18.54	-	0.42	18.12
Mercator Okoro FPU Pte Ltd	3.06	-	0.07	2.99
Offshore Holdings Pte. Limited (formaly known as Mercator Offshore Holding Pte Limited)	899.51	690.23	1,497.34	924.40
Total	**22,341.91**	**24,284.39**	**12,141.23**	**34,485.06**

All the above loans are utilized by respective companies for their business activities
*Includes exchange fluctuation on reinstatement/repayment of Loans

b) **Investments during the year**

(₹ in Lakhs)

Name of Subsidiary	*Opening balance	*Additions during the year	Deletions during the year	*Closing Balance
Mercator Petroleum Limited	3,333.00	1260.00	-	4593.00

*Utilised by Subsidiary for its business activities

c) **Guarantees given**

Corporate guarantees issued by the company on behalf of wholly owned Subsidiaries

(₹ in Lakhs)

Guarantees given on behalf of	Outstanding as at March 31, 2017	Outstanding as at March 31, 2016
Mercator Offshore (P) Pte. Limited*	-	42,254.06
Mercator International Pte. Limited*	11,508.85	19,661.07
MCS Holdings Pte Limited*	15,541.81	19,899.87
Mercator Oil & Gas Limited*	21,574.62	23,573.29
Total	**48,625.28**	**1,05,388.29**

*Parent Company Guarantees issued in favour of Banks for Loans availed by the subsidiaries for their Business activities

d) **Letter of Comfort issued**

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Letters of comfort issued by the company on behalf of subsidiary.	4,798.06	-

Letter of Comfort is issued in favour of Bank for the Loan availed by subsidiary for its business activity

Notes forming part of the financial statements

3.13 Disclosure as required under Regulation 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirments) Regulations 2015

(₹ in Lakhs)

Loans and Advances in nature of Loans given to subsidiaries	Current Year	Previous Year
Mercator International (Pte) Ltd.		
Balance outstanding at year end	22114.65	12640.83
Maximum amount Outstanding during the year.	22954.04	16691.83
Mercator Oil & Gas Limited		
Balance outstanding at year end	5726.80	3281.33
Maximum amount Outstanding during the year.	5773.31	7094.61
Mercator Petroleum Limited		
Balance outstanding at year end	5669.65	4227.32
Maximum amount Outstanding during the year.	5669.65	4811.72
Mercator FPSO Private Limited		
Balance outstanding at year end	201.26	201.25
Maximum amount Outstanding during the year.	201.26	201.25
Offshore Holdings Pte. Ltd.		
Balance outstanding at year end	92.40	899.51
Maximum amount outstanding during the year	899.51	899.51
Mercator Offshore (P) Pte. Ltd.		
Balance outstanding at year end	123.13	505.96
Maximum amount outstanding during the year	522.77	505.96
Oorja Resources India Private Limited		
Balance outstanding at year end	-	8.98
Maximum amount outstanding during the year	-	3399.25

3.14 Income tax expense

A. Tax expenses recognised in the Statement of profit & Loss

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Current tax		
Current tax on taxable income for the year	100	100
Excess/(Short) provision for tax of earlier years		
Total Current tax expense	100	100
Effective Tax Rate	**(3.38%)**	**3.88%**

B. Reconciliation between statutory Income Tax Rate applicable to the company and the effective Income Tax rate is as follows :

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Loss before taxes	(2954.54)	(2577.68)
Effective tax rate in India: Nil*	-	-
Tax effect of adjustment for profits subject to tonnage tax regime / presumptive taxation	(100.00)	(100.00)
Income tax expense recognised in the profit and loss account	(100.00)	(100.00)

* 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.

Notes forming part of the financial statements

3.15 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 ₹ 53.00 Lakhs.

Amount spent during the year on

(₹ in Lakhs)

Sr. No.	Particulars	In Cash/Cheque	Yet to be Paid in cash/Cheque	Total
i)	Construction/acquisition of any asset	-	-	-
ii)	On purpose other than (i) above, viz; for the purpose of social and educational development	5.00	-	5.00

3.16 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.

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.

Exposure to Interest rate risk

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total Borrowings	93,059.58	94,306.06	85,940.37
% of Borrowings out of above bearing variable rate of Interest	80%	75%	73%

The Company is exposed to interest rate risk as the Company borrow 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 whole 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, 2017 would increase/decrease by 369.98 lakhs (previous year 352.61 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate 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. Also, the Company's vessels are susceptible to arrests by maritime claimants 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.

Notes forming part of the financial statements

iii) Price risk

The Company is engaged in the business of commodity transportation of crude oil, petroleum products, coal, iron-ore etc which involves a high level of dependence on the production of oil and gas. Thus, demand in these sectors will have a direct impact on the business of the Company. A decline in the demand for oil, coal or iron etc will adversely affect the business of the company. Thus, often, the factors affecting the supply and demand for the vessel are beyond the control of the Company as the nature, timing and degree of changes in the industry conditions cannot be foreseen and are unpredictable.

Other price risk:

The Company is not exposed to any significant equity price risks arising from equity investments, as on March 31, 2017. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

Equity price sensitivity analysis:

There is no exposure to equity price risks as at the reporting date or as at the previous reporting date.

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.

The carrying amounts of the Company's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follows:

(₹ in Lakhs)

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
Financial Assets	USD	SGD	Others	USD	SGD	Others	USD	SGD	Others
Trade Receivables	93.65	-	-	304.99	-	-	514.00	-	-
Cash and Cash equivalents	54.74	-	-	34.54	-	-	2,174.39	-	-
Other Financial Assets	22,887.35	-	-	14,616.31	-	-	5,874.80	-	-
Net Exposure for Assets	**23,035.74**	**-**	**-**	**14,955.84**	**-**	**-**	**8,563.19**	**-**	**-**
Financial Liabilities									
Borrowings	86,437.25	-	-	74,533.98	-	-	63,579.73	-	-
Other Financial Liabilities	1,135.74	6.86	6.97	1,602.34	84.40	131.53	3,613.12	5.62	31.31
Net Exposure for Liabilities	**87,572.99**	**6.86**	**6.97**	**76,136.32**	**84.40**	**131.53**	**67,192.85**	**5.62**	**31.31**
Net exposure (Assets-Liabilities)	(64,537.25)	(6.86)	(6.97)	(61,180.48)	(84.40)	(131.53)	(58,629.66)	(5.62)	(31.31)

The following table details the Company's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies of all the companies in the Company.

5% is the sensitivity rate used when reporting foreign currency risk and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the respective functional currency strengthens by 5% against the relevant foreign currency. For a 5% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

(₹ in Lakhs)

Effect in INR	March 31, 2017	March 31, 2016	1-Apr-15
USD impact	(3,226.86)	(3,059.02)	(2,931.48)

Notes forming part of the financial statements

Derivative Instruments

(A) The Company follows hedge accounting principles for accounting of certain forward exchange contracts to hedge the exchange risk pertaining to highly forecasted transaction. Accordingly mark to market losses of ₹ 10.76 lakhs (PY ₹ 134.06 lakhs) has been carried over to cash flow hedge reserves as of March 31, 2017 for currency swap hedging.

(B) **Details of outstanding Hedging Contracts**

(₹ in Lakhs)

Derivative contracts	March 31, 2017		March 31, 2016		April 1, 2015	
	Amount in foreign currency	Equivalent Indian rupees	Amount in foreign currency	Equivalent Indian rupees	Amount in foreign currency	Equivalent Indian rupees
USD/INR	NIL	NIL	23.69	1200.00	31.59	1600.00
USD/INR	NIL	NIL	13.29	600.00	17.71	800.00
USD/INR	NIL	NIL	13.32	600.00	17.75	800.00

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.

Ageing of Accounts Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Less than 180 days	9,176.57	4,165.10	13,359.07
More than 180 days	8,252.62	12,589.03	10,618.72

Financial assets are considered to be of good quality and there is no significant increase in credit risk

c) **Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

The following tables detail the Company'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 Company can be required to pay:

Notes forming part of the financial statements

Maturity Analysis of Significant Financial Liabilities

(₹ in Lakhs)

As at March 31, 2017	Contractual Cash Flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Financial Instruments					
Borrowings	105,268.53	26,107.57	59,668.98	19,078.63	413.35
Trade Payables	12,746.82	12,746.82	-	-	-
Liability towards cash flow hedge	549.37	549.37	-	-	-
Other financial liabilities	1,454.40	1,436.40	18.00	-	-

(₹ in Lakhs)

As at March 31, 2016	Contractual Cash Flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Financial Instruments					
Borrowings	102,492.16	29,125.17	58,014.46	15,352.53	-
Trade Payables	10,137.47	10,137.47	-	-	-
Liability towards cash flow hedge	1,018.88	509.44	509.44	-	-
Other financial liabilities	1,797.07	1,779.07	18.00	-	-

(₹ in Lakhs)

As at April 1, 2015	Contractual Cash Flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Financial Instruments					
Borrowings	95,393.74	23,519.23	45,351.66	26,522.85	-
Trade Payables	12,798.07	12,798.07	-	-	-
Liability towards cash flow hedge	1,153.00	288.25	864.75	-	-
Other financial liabilities	1,455.99	1,455.99	-	-	-

3.17 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.

As at March 31, 2017, the company has only one class of equity shares and has debt, consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the company allocates its capital for distribution of dividend or re-investment into business based on its long term financial plans.

The debt equity for the year is as under:

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Total Debt	1,01,405.23	99,314.27	89,763.69
Total Equity	82,160.98	75,195.96	73,073.54
Debt Equity Ratio	1.23	1.32	1.23

Notes forming part of the financial statements

3.18 Fair value measurements

Financial Instruments by category

(₹ in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets:						
At amortised cost						
Cash and cash equivalents	3,646.24	3,646.24	559.04	559.04	5,535.26	5,535.26
Bank balances other than Cash and cash equivalents	3,221.05	3,221.05	772.00	772.00	627.56	627.56
Loans	35,076.28	35,076.28	22,941.76	22,941.76	16,514.34	16,514.34
Trade receivbles	17,429.21	17,429.21	16,754.13	16,754.13	23,977.80	23,977.80
Investment in Debentures of subsidiary	3,063.12	3,063.12	1,803.00	1,803.00	-	-
Other Financial assets	7,204.56	7,204.56	9,486.33	9,486.33	12,826.26	12,826.26
At fair value through profit and loss						
Investment in Equity Shares of Subsidiaries	1,581.87	1,581.87	1,581.87	1,581.87	1,581.87	1,581.87
Investment in Equity Shares-Others	0.12	0.12	0.12	0.12	0.12	0.12
Total	**71,222.45**	**71,222.45**	**53,898.25**	**53,898.25**	**61,063.21**	**61,063.21**

(₹ in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities:						
At amortised cost						
Borrowings	101,405.23	101,405.23	99,314.27	99,314.27	89,763.69	89,763.69
Other financial liabilities	2,003.78	2,003.78	2,815.95	2,815.95	2,609.63	2,609.63
Trade and other payables	12,746.82	12,746.82	10,137.47	10,137.47	12,798.07	12,798.07
At fair value through profit and loss						
Derivatives	549.37	549.37	1,018.88	1,018.88	1,153.00	1,153.00
Other financial liabilities						
Total	**116,705.20**	**116,705.20**	**113,286.57**	**113,286.57**	**106,324.39**	**106,324.39**

Notes forming part of the financial statements

Fair value measurements recognised in the Balance Sheet:

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At April 1, 2015	Level 1	Level 2	Level 3	Total
Finance liabilities at fair value through profit or loss				
Investments in mutual funds - Level 1	73.80	-	-	73.80
Derivative financial liabilities - Level 2	-	1,153.00	-	1,153.00
Total	**73.80**	**1,153.00**	**-**	**1,226.80**

All other financial instruments are classified as level 3.

At March 31, 2016	Level 1	Level 2	Level 3	Total
Finance liabilities at fair value through profit or loss				
Investments in mutual funds - Level 1	59.68	-		59.68
Derivative financial liabilities - Level 2	-	1,018.88	-	1,018.88
Total	**59.68**	**1,018.88**	**-**	**1,078.56**

All other financial instruments are classified as level 3.

At March 31, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Finance liabilities at fair value through profit or loss				
Derivative financial liabilities - Level 2	-	549.37	-	549.37
Total	-	549.37	-	549.37

All other financial instruments are classified as level 3.

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.

Notes forming part of the financial statements

3.19 Disclosure in respect of specified bank notes held and transacted:

(₹ in Lakhs)

Particulars	Specified Bank Notes (SBNs)	Other denomination notes & coins	Total
Closing cash in hand as on 08.11.2016	1.76	3.92	5.68
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	1.76	-	1.76
Closing cash in hand as on 30.12.2016	-	-	-

Specified Bank Notes is defined notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016." as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

The disclosures with respects to 'Permitted Receipts', 'Permitted Payments', 'Amount Deposited in Banks' and 'Closing Cash in Hand as on 30.12.2016' is understood to be applicable in case of SBNs only.

3.20 FIRST-TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS ('Ind AS')

These are the company's first financial statements prepared in accordance with Ind AS

The company has adopted Indian Accounting standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April 2016, with a transition date of April 1, 2015. Ind AS 101- First-time Adoption of India Accounting Standards required that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2017 for the company, be applied retrospectively and consistently for all financial years presented.

Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101

1. Reconciliation of Balance sheet as at April 1, 2015 (Transition Date)
2. Reconciliation of Balance sheet as at March 31, 2016
3. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016
4. Reconciliation of Equity as at April 1, 2015 and as at March 31, 2016
5. Reconciliation of Net Profit for the year ended March 31, 2016

The presentation requirements under Previous GAAP differ from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived from the Financial Statements of the company prepared in accordance with Previous GAAP

Explanation to transition to Ind AS

Optional exemptions

- Deemed Cost

  IND-AS 101 permits a first – time adopter to elect to continue with the carrying value for all of its property, plant and equipment and Investment Property as recognized in the Ind AS financial statements as at the date of transition to IND-AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

- Component Accounting

  The company has elected to to account drydock expenditure as a component of Fleet with useful life different than Fleet. The same was earlier expensed out in the Statement of Profit and Loss.

Notes forming part of the financial statements

- **Investment in subsidiaries**

  The Company has opted para D14 and D15 and accordingly considered the Previous GAAP carrying amount of Investments as deemed cost as at the transition date.

- **De-recognition of financial assets and liabilities**

  IND-AS 101 requires a first – time adopter to apply the de-recognition provisions of IND-AS 109 prospectively for transactions occurring on or after the date of transition to IND-AS. However, IND-AS 101 allows a first – time adopter to apply the de – recognition requirements in IND-AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply IND-AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

  The company has elected to apply the de-recognition provisions of IND-AS 109 prospectively from the date of transition to IND-AS.

- **Foreign Currency Monetary Items**

  In terms of para D13AA of Ind-AS 101,the company may continue to account for foreign exchange differences relating to long-term foreign currency monetary items as per previous IGAAP. The company has elected to apply the same.

Mandatory exceptions

- **Estimates**

  An entity's estimates in accordance with IND-ASs at the date of transition to IND-AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

  IND-AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with IND-AS at the date of transition as it was not required under previous GAAP.

- **Classification and measurement of financial assets**

  IND-AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to IND-AS.

Notes forming part of the financial statements

3.20.1 Reconciliation of Balance Sheet as on April 1, 2015

(₹ in Lakhs)

	Particulars	Note	Regrouped Previous GAAP	Ind AS Adjustments	Ind AS
A	**ASSETS**				
1	**Non- current assets**				
	(a) Property, plant and equipment		97,047.08	-	97,047.08
	(b) Investment property		163.65	-	163.65
	(c) Investment in Subsidiaries		-	1,581.87	1,581.87
	(d) Financial assets				-
	(i) Investments		1,655.79	(1,581.87)	73.92
	(ii) Loans		9,400.05	-	9,400.05
	(iii) Other Financial Assets	C	699.57	(401.98)	297.59
	(e) Other non current assets		15,913.89	-	15,913.89
			124,880.03	**(401.98)**	**124,478.05**
2	**Current assets**				
	(a) Inventories		690.88	-	690.88
	(b) Financial assets				-
	(i) Trade receivables		23,977.80	-	23,977.80
	(ii) Cash and cash equivalents		2.22	5,533.04	5,533.26
	(iii) Bank balances other than (ii) above		6,160.60	(5,533.04)	627.56
	(iv) Loans		7,114.29	-	7,114.29
	(v) Other Financial Assets	C	13,183.83	(655.16)	12,528.67
	(c) Other current assets		4,295.86	-	4,295.86
			55,425.48	(655.16)	54,770.32
	TOTAL ASSETS		**180,305.51**	**(1,057.14)**	**179,248.37**
B	**EQUITY AND LIABILITIES**				
1	**Equity**				
	(a) Equity share capital		2,448.92	-	2,448.92
	(b) Other Equity	B	67,650.13	2,974.49	70,624.62
	TOTAL EQUITY		**70,099.05**	**2,974.49**	**73,073.54**
2	**Non - current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	C	70,931.26	(3,439.36)	67,491.90
	(ii) Other financial Liablities		864.75	-	864.75
	(b) Provisions		258.15	-	258.15
	(c) Other-noncurrent Libilities			-	-
	TOTAL NON-CURRENT LIABILITIES		**72,054.16**	**(3,439.36)**	**68,614.80**
3	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings		3,823.32	-	3,823.32
	(ii) Trade payables		12,798.07	-	12,798.07
	(iii) Other financial Liablities		20,192.71	-	20,192.71
	(b) Provisions	F	634.38	(592.27)	42.11
	(c) Other current liabilities		703.82	-	703.82
	TOTAL CURRENT LIABILITIES		**38,152.30**	**(592.27)**	**37,560.03**
	TOTAL LIABILITIES		**110,206.46**	**(4,031.63)**	**106,174.83**
	TOTAL EQUITY AND LIABILITIES		**180,305.51**	**(1,057.14)**	**179,248.37**
	Notes forming part of the financial statements	**A-F**			

Notes forming part of the financial statements

3.20.2 Reconciliation of Balance Sheet as on March 31, 2016

(₹ in Lakhs)

	Particulars	Note	Regrouped Previous GAAP	Ind AS Adjustments	Ind AS
A	**ASSETS**				
1	**Non- current assets**				
	(a) Property, plant and equipment	A	114,604.55	623.72	115,227.27
	(b) Investment property		141.69	1.27	142.96
	(c) Investment in Subsidiaries		-	3,384.87	3,384.87
	(d) Financial assets				-
	(i) Investments		3,444.67	(3,384.87)	59.80
	(ii) Loans		17,668.44	0.02	17,668.46
	(ii) Other Financial Assets		601.02	-	601.02
	(e) Other non current assets		16,594.66	(487.36)	16,107.30
			153,055.03	**137.65**	**153,192.68**
2	**Current assets**				
	(a) Inventories		876.58	-	876.58
	(b) Financial assets				-
	(i) Trade receivables		16,754.13	-	16,754.13
	(ii) Cash and cash equivalents		777.97	(218.93)	559.04
	(iii) Bank balances other than (ii) above		553.07	218.93	772.00
	(iv) Loans		5,273.30	-	5,273.30
	(v) Other Financial Assets	C	9,157.22	(271.91)	8,885.31
	(c) Other current assets		2,261.34	-	2,261.34
			35,653.61	(271.91)	35,381.70
	TOTAL ASSETS		**188,708.64**	**(134.26)**	**188,574.38**
B	**EQUITY AND LIABILITIES**				
1	**Equity**				
	(a) Equity share capital		2,448.92	-	2,448.92
	(b) Other Equity	B	69,242.83	3,504.21	72,747.04
	Total equity		**71,691.75**	**3,504.21**	**75,195.96**
2	**Non - current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	C	73,449.46	(3,343.73)	70,105.73
	(ii) Other financial Liablities		527.44	-	527.44
	(b) Provisions		185.06	-	185.06
	(c) Other-noncurrent Libilities			-	-
	TOTAL NON-CURRENT LIABILITIES		**74,161.96**	**(3,343.73)**	**70,818.23**
3	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings		5,008.21	-	5,008.21
	(ii) Trade payables		10,137.47	-	10,137.47
	(iii) Other financial Liablities		26,488.84	-	26,488.84
	(b) Provisions	E	329.21	(294.74)	34.47
	(c) Other current liabilities		891.20	-	891.20
	TOTAL CURRENT LIABILITIES		42,854.93	(294.74)	42,560.19
	TOTAL LIABILITIES		**117,016.89**	**(3,638.47)**	**113,378.42**
	TOTAL EQUITY AND LIABILITIES		**188,708.64**	**(134.26)**	**188,574.38**
	Notes forming part of the financial statements	**A-F**			

Notes forming part of the financial statements

3.20.3 Reconciliation of Profit and Loss for the year ended March 31, 2016

(₹ in Lakhs)

	Particulars	Note	Regrouped Previous GAAP	Ind AS Adjustments	Ind AS
	INCOME				
	(a) Revenue from operations		58,864.38	-	58,864.38
	(b) Other income		2,262.78	-	2,262.78
	(c) Other gains/(losses)		-	-	-
1	**Total Revenue**		**61,127.16**	**-**	**61,127.16**
	EXPENSES:				
	(a) Operating expenses	A	33,836.10	1,901.82	31,934.28
	(b) Employee benefit expenses		2,069.86	-	2,069.86
	(c) Finance cost	C	8,160.07	(1,123.38)	9,283.45
	(d) Depreciation and amortisation expenses	A	12,219.34	(504.92)	12,724.26
	(e) Other expenses		3,179.82	642.19	2,537.63
2	**Total Expenses**		**59,465.19**	**915.71**	**58,549.48**
3	**Profit/(loss) before exceptional items and tax from continuing operations (1 - 2)**		**1,661.97**	**915.71**	**2,577.68**
	Less: Exceptional items				**-**
	Profit/(Loss) before taxes (5 - 6)		**1,661.97**	**915.71**	**2,577.68**
4	**Tax expense:**				
	(a) Current tax		(100.00)	-	(100.00)
	(b) Short/Excess Provision for tax for earlier years				-
	Profit /(Loss) for the period (3- 4)		**1,561.97**	**915.71**	**2,477.68**
	Other comprehensive income				
	Acturial Gain or loss on Gratuity	E	125.05	-	125.05
	Total Comprehensive Income for the year		**1,687.02**	**915.71**	**2,602.73**
	Notes forming part of the financial statements	**A-F**			

3.20.4 Reconciliation of Equity as at April 1, 2015 and as at March 31, 2016

(₹ in Lakhs)

Particulars	Note	As at March 31, 2016	As at 31st March 2015
Total Shareholders Fund as per previous GAAP (Indian GAAP)		71,691.75	70,099.05
Impact of Loan Reinstatement	C	2,679.50	2,382.23
Impact of Exchange Fluctuation	C	256.06	-
Impact of Dividend	F	294.75	592.26
Effect of Dry Dock Expenses as per IND-AS 16-Property Plant & Equipment	A	1,396.90	-
Effect of Interest as per IND-AS 109-Financial Instruments	C	(1,123.00)	-
Total Adjustments		3,504.21	2,974.49
Total Shareholders Fund as per previous IND-AS		75,195.96	73,073.54

Notes forming part of the financial statements

3.20.5 Reconciliation of statement of profit and loss for the year ended March 31, 2016

(₹ in Lakhs)

Particulars	Note	Year Ended March 31, 2016
Net Profit after tax as per previous GAAP		1,687.02
Effect of Dry Dock expenses as per IND-AS 16 - Property Plant and Equipment	A	1,396.90
Effect of Interest as per IND-AS 109 - Financial Instruments	C	(1,123.00)
Effect of Foreign Exchange as per IND-AS 21 - Effect of Changes in Foreign Exchange	C	641.18
Reclassification of net actuarial gain/loss on employee defined benefit obligations	E	(125.05)
Net Profit after tax as per IND-AS		2,477.68
Other Comprehensive income	E	125.05
Total Comprehensive income after tax as per Ind AS		2,602.73

Note A: Dry-docking costs

These were debited to the statement of profit and loss under the previous GAAP. Under IND-AS, the Company has deferred these costs over 30 months.

Note B: Foreign currency convertible bonds split into equity and debt components

Under previous GAAP, foreign currency convertible bonds amounting to USD 16 million were treated as borrowings. IND-AS 32 requires such compound instruments to be split into debt and equity components.

As at April 1, 2015, the debt component of the converible bonds was USD 12.34 million while the equity component was USD 3.67 million.

Note C: Borrowings

IND-AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss over the tenure of the borrowing on a straight line basis. Also, under previous GAAP, the unamortised transaction costs were grouped under Current/Non-Current Assets depending on the amortisation period. Consequent to transition to IND-AS, unamortised transaction costs now appear as a reduction from Borrowings.

Note D: Retained Earnings.

Retained earnings has been adjusted consequent to the IND-AS transition adjustments.

Note E: Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard equires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note F: Provision for Dividend & Dividend Distribution tax

Under Ind AS no provision for Dividend and Dividend distribution tax needs to be done.

3.21 PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration Number 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board

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

M. M. Agrawal
Director
(DIN:00681433)

Kiran Vaidya
Officiating Chief Financial Officer

Suhas Pawar
Company Secretary
Membership No. A36560

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT , 2013

(pursuant to first provisio to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART A: Subsidiaries

(₹ in Lakhs)

Sr. No.	Name of the Subsidiary	Financial period ended	Reporting currency	Share Capital*	Reserves & Surplus*	Total Assets*	Total Liabilities*	Investments (except in subsidiaries)*	Turnover**	Profit/(Loss) before Tax**	Provisions for Tax**	Profit/ (Loss) after Tax**	Proposed Dividend**	% of Shareholding
1	Mercator Oil and Gas Limited	31-03-17	INR	15.00	(337.68)	26,305.20	26,941.59	-	2,594.83	(1,589.47)	17.53	(1,566.75)	-	100.00
2	Mercator Petroleum Limited	31-03-17	INR	3,000.00	(358.44)	20,742.80	15,236.62	-	-	(171.25)	-	(171.25)	-	87.75
3	Oorja Resources India Private Limited	31-03-17	INR	2.50	0.39	3,093.37	3,090.48	-	-	(14.10)	(4.27)	(18.37)	-	100.00
4	Mercator FPSO Private Limited	31-03-17	INR	1.00	(5.29)	197.06	201.35	-	-	(0.51)	-	(0.51)	-	100.00
5	Mercator International Pte. Limited	31-03-17	USD	38.90	(2,456.97)	55,351.48	49,561.87	-	-	(3,175.68)	(52.02)	(3,227.70)	-	100.00
6	Offshore Holdings Company Pte. Limited	31-03-17	USD	1,945.26	3,376.83	53,110.38	47,788.30	-	7,124.05	872.70	-	872.70	-	100.00
7	Panther Resources Pte. Limited	31-03-17	USD	0.01	13,211.00	18,587.48	5,376.48	18,586.25	-	13,669.42	-	13,669.42	-	100.00
8	Oorja Mocambique Minas, Limitada	31-03-17	Mozambican Meticals#	0.24	-	181.13	180.89	-	-	-	-	-	-	100.00
9	Oorja Holdings Pte. Limited	31-03-17	USD	0.00	(16,552.66)	41,498.21	58,050.87	-	-	(16,356.60)	(1.38)	(16,357.99)	-	100.00
10	PT Oorja Indo Petangis Four	31-03-17	USD	2,042.42	(1,667.98)	374.43	-	-	-	(1.02)	-	(1.02)	-	100.00
11	PT Oorja Indo Petangis Three	31-03-17	USD	2,107.25	(1,712.26)	394.99	-	-	-	(742.77)	-	(742.77)	-	100.00
12	PT Ooorja Indo KGS	31-03-17	USD	188.03	(308.22)	774.24	894.43	-	-	(244.07)	-	(244.07)	-	100.00
13	PT Nuansa Sakti Kencana	31-03-17	USD	371.38	(425.24)	23.74	77.60	-	-	1.40	-	1.40	-	100.00
14	PT Mincon Incon Indo Resources	31-03-17	USD	810.48	(789.98)	20.50	-	-	-	(0.21)	-	(0.21)	-	100.00
15	MCS Holdings Pte. Limited	31-03-17	USD	648.39	28,079.57	59,376.39	30,648.44	-	98,610.23	(1,543.65)	(55.96)	(1,599.61)	-	100.00
16	PT Karya Putra Borneo	31-03-17	USD	357.51	314.58	17,151.06	16,478.97	-	27,415.48	2,346.70	(805.36)	1,541.34	-	50.00

(₹ in Lakhs)

Sr. No.	Name of the Subsidiary	Financial period ended	Reporting currency	Share Capital*	Reserves & Surplus*	Total Assets*	Total Liabilities*	Investments (except in subsidiaries)*	Turnover**	Profit/(Loss) before Tax**	Provisions for Tax**	Profit/ (Loss) after Tax**	Proposed Dividend**	% of Shareholding
17	PT Indo Perkasa	31-03-17	USD	357.51	5,824.56	16,045.33	9,863.25	-	11,339.14	2,931.33	(741.06)	2,190.27	-	25.50
18	Broadtec Mocambique Minas, Limitada	31-03-17	Mozambican Meticals#	0.24	-	125.30	125.06	-	-	-	-	-	-	85.00
19	PT Bima Gema Permata	31-03-17	USD	371.38	(1,066.34)	35.68	730.65	-	-	25.61	-	25.61	-	100.00
20	Mercator Okoro FPU Pte. Limited***	31-03-17	USD	0.00	55.85	41,220.39	41,164.54	-	-	(5.33)	1.32	(4.01)		75.00
21	Mercator Projects Pte. Limited***	31-03-17	USD	0.00	(281.99)	11,943.71	12,225.70	-	-	(135.05)	-	(135.05)	-	75.00
22	Mercator Offshore (P) Pte. Limited	31-03-17	USD	129.68	17,087.94	20,117.92	2,900.31	-	29,566.30	(390.06)	(11.75)	(401.81)	-	76.25
23	Mercator Offshore Assets Holding Pte. Limited	31-03-17	USD	155.67	(17,129.41)	4.41	16,978.16	-	-	(17,678.42)	-	(17,678.42)	-	75.00
24	Mercator Okwok FPU Pte. Limited***	31-03-17	USD	0.00	(50.90)	21,703.20	21,754.09	-	-	(10.74)	-	(10.74)	-	75.00
25	Mercator Energy Pte. Limited	31-03-17	USD	340.87	(13,884.73)	8,033.49	21,557.62	-	1,013.72	(9,851.57)	-	(9,851.57)	-	75.00
26	Oorja 1 Pte. Limited	31-03-17	USD	0.00	(6,774.71)	1,091.05	7,865.75	-	-	(3,550.03)	-	(3,550.03)	-	100.00
27	Oorja 2 Pte. Limited	31-03-17	USD	0.00	(4,918.50)	1,108.57	6,027.07	-	-	(169.48)	-	(169.48)	-	100.00
28	Oorja 3 Pte. Limited	31-03-17	USD	0.00	(1,488.19)	0.51	1,488.70	-	-	(190.93)	-	(190.93)	-	100.00
29	Oorja (Batua) Pte. Limited	31-03-17	USD	0.00	(1,863.56)	26,039.15	27,902.70	-	-	650.61	136.42	787.04	-	100.00
30	Fortune Offshore O&M Pte. Ltd.	31-03-17	USD	0.47	-	-	-	-	-	-	-	-	-	76.25

(Note : *** under liquidation)
Exchange Rate: *1USD= ₹ 64.8386 , **1USD=₹ 67.0615, # 1USD=67.30349 Meticals

1 Subsidiaries which are yet to commence operations

Brio Resources Pte Ltd
Marvel Value International Limited
MCS Fuel Trading Sdn. Bhd.

2 Subsidiaries which have been liquidated or sold/ceased during the year -

Mercator Global Pte Limited
Ivorene Oil Services Nigeria Limited
RDPT Batavia Drill

Part B: Associates and Jont Ventures

(₹ in Lakhs)

Sr. No.	Name of Associates/joint ventures	Audited Balancesheet Date	Shares held by the Company on the year end			Description of significant influence	Reason for non consolidation	Networth attributable to shareholding	Profit /loss fot the year	
			No.	Amount of Investment	Extent of Holding %				Consider in Consolidation	Not Consider in Consolidation
					NIL					

1 Associates or Jont Ventures which are yet to commence operations - NIL

2 Associates or Jont Ventures which have been liquidated or sold during the year - NIL

Independent Auditor's Report

TO THE MEMBERS OF MERCATOR LIMITED

Report on the Consolidated Ind-AS Financial Statements

We have audited the accompanying Consolidated Ind-AS Financial Statements of **MERCATOR LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the Consolidated Ind-AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind-AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income) and consolidated 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) prescribed under Section 133 of the Act, read with the relevant rules (as amended) The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Ind-AS Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective entity and for preventing and detecting frauds and other irregularities; the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind-AS Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind-AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind-AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind-AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind-AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the Consolidated Ind-AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind-AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 11 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind-AS Financial Statements.

Basis of Qualified Opinion

a) For the purpose of consolidation, the unaudited financial statements of one step-down subsidiary have been considered by the management. We have solely relied on such financial statements as approved by the management of the said subsidiary where in the Group's share of Net Assets of ₹ 18,586 lakhs as at March 31, 2017, Revenues of ₹ 13,675 lakhs and profit for the year of ₹ 13,669.42 lakhs for the year ended on that date in the Consolidated Ind-AS Financial Statements. Accordingly, our assurance on the Statement in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of the management of this subsidiary which has been furnished to us.

b) In case of a step down subsidiary, the auditors have qualified their report regarding the recoverability and non-provision of impairment loss in case of long overdue Trade receivables amounting to ₹ 7,297.01

lakhs (USD 11.25 Mn) (P.Y. ₹ 9212.85 Lakhs (USD 13.89 Mn)) and dispatch income of ₹ 648.32 lakhs (USD 0.99 Mn) recognized in the current year.

c) In case of two step down subsidiaries the respective auditors have raised a concern regarding the recoverability of deposits amounting to ₹ 2,195.92 lakhs (USD 3.39 Mn) paid to acquire 70% equity interests in companies which own coal mining concessions.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid Consolidated Ind-AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit (including Other Comprehensive Income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

In case of certain subsidiaries, the respective auditors have pointed out that the concerned financial statements have been prepared on the going concern basis, in view of representation by the management that the financial support and undertaking from the ultimate holding company will be available to enable the respective companies to address cash flow mismatches.

In case of a step-down subsidiary, the auditors have stated in their report that ₹ 1,037.42 lakhs (US$ 1.6 Mn) is not provided in the financial statements of the respective subsidiary in respect of claim awarded in favour of third party based on the management's view that the company has strong case and has determined to appeal to set aside the award.

Other Matters

The Consolidated Ind-AS Financial Statements include unaudited results of six subsidiaries which have been consolidated on the basis of management certified financial statements whose financial statement reflect total assets (net) of ₹ 3,747.67 lakhs and total revenue of ₹ Nil for the year ended March 31, 2017

We did not audit the financial statements of twenty-three subsidiaries included in the Consolidated Ind-AS Financial Statements, whose financial statements reflect total assets of ₹ 90,755.16 lakhs and total revenue of ₹ 140,570.19 lakhs for the year ended March 31, 2017. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion on these Financial statements, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

The Consolidated Ind-AS Financial statements do not include financial statements of two subsidiaries which, as per information and explanations given to us by the management, do not have any transactions that are material.

Our opinion on the Consolidated Ind-AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements approved by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section143 (3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and except for the possible effects of the matter described in the basis for qualified opinion obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind-AS Financial Statements;

   (b) In our opinion, except for the possible effects of the matter described in the basis for qualified opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind-AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and working/records maintained for the purpose of preparation of the Consolidated Ind-AS Financial Statements.

   (d) In our opinion, the aforesaid Consolidated Ind-AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act..

   (e) The matters described in the Basis for Qualified opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the company.

   (f) On the basis of the written representations received from the directors of the Holding company as on March 31, 2017 taken on record by the Board of Directors of the Holding company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries incorporated in India,

the operating effectiveness of such controls, refer to our separate report in '**Annexure A**'; and

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

i. The group has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in the Consolidated Ind-AS Financial Statements – Refer Note 3.2 to the Consolidated Ind-AS Financial Statements.

ii. The group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, where required to be transferred, to the Investor Education and Protection Fund by the Group during the year ended March 31, 2017.

iv. In the Consolidated Ind-AS Financial Statements, holdings as well as dealings in Specified Bank Notes during the period fom 8th November, 2016 to 30th December, 2016, by the Holding Company and its subsidiary companies incorporated in India required as per MCA Notification No. G.S.R. 307(E) and Notification No. G.S.R. 308(E) dated 30th March 2017 has been requisitely disclosed, on the basis of information available with the Company. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and its subsidiary companies incorporated in India and as produced to us by the Management and the reports of the other auditors – Refer Note 3.20.

For C N K & Associates LLP
Chartered Accountants
Firm's Registration No. 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391

Place: Mumbai
Date: 30th May, 2017

Annexure A to the Independent Auditor's Report

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 over financial reporting of Mercator Limited ("the Holding Company") and its subsidiaries incorporated in India ("covered entities") as of March 31, 2017 in conjunction with our audit of the Consolidated Ind-AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The managements of the Holding company and covered entities are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and covered entities 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 Holding company's and the covered entities' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 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 holding company's and covered entities' internal financial control systems over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 over Financial Reporting

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

Opinion

In our opinion, the Holding Company and covered entities, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company and covered entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four 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 C N K & Associates LLP
Chartered Accountants
Firm's Registration No. 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391

Place: Mumbai
Date: 30th May, 2017

Consolidated Balance Sheet

as at March 31, 2017

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at 1. April 2015
A. ASSETS				
1 Non- current assets				
(a) Property, plant and equipment	2.1	186,292.87	265,823.23	498,160.12
(b) Capital work in progress		69,407.15	68,780.01	62,033.71
(c) Investment property	2.2	125.30	142.96	163.65
(d) Other Intangible assets	2.3	19.47	32.36	40.07
(e) Financial assets				
(i) Investment	2.4	0.12	71.08	137.60
(ii) Loans	2.5	1,733.51	1,302.08	4,279.99
(iii) Others Financial Assets	2.6	270.39	609.29	8,576.63
(f) Deferred tax assets (net)	3.15	(393.72)	(321.04)	412.80
(g) Other non-current assets	2.7	21,465.74	27,795.17	24,558.89
Total non-current Assets		**278,920.83**	**364,235.14**	**598,362.87**
2 Current assets				
(a) Inventories	2.8	1,784.76	1,921.41	3,413.67
(b) Financial assets				
(i) Investments	2.4	18,586.25	-	398.88
(ii) Trade receivables	2.9	39,026.26	57,870.10	81,508.56
(iii) Cash and cash equivalent	2.10	9,417.58	8,488.50	25,306.53
(iv) Bank balances other than iii) above	2.10	3,523.30	1,055.89	2,133.96
(v) Loans	2.11	165.85	44.79	43.57
(vi) Other Financial Assets	2.12	6,962.37	9,059.07	13,353.46
(c) Other Current Assets	2.13	35,428.48	39,001.13	40,240.14
Total current Assets		**114,894.85**	**117,440.89**	**166,398.77**
TOTAL ASSETS		**393,815.68**	**481,676.03**	**764,761.64**
B. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	2.14	2,698.92	2,448.92	2,448.92
(b) Other Equity	2.15	96,492.91	86,201.88	198,417.30
Non Controlling Interest		5,792.77	2,951.57	25,368.02
		104,984.60	**91,602.37**	**226,234.24**
2 Non - current liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.16	119,957.64	157,569.63	247,227.83
(ii) Other financial Liablities	2.17	4,245.48	5,343.21	14,752.72
(b) Provisions	2.18	439.40	398.50	533.97
Total non-current liabilities		**124,642.52**	**163,311.34**	**262,514.52**
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.19	42,281.76	49,247.58	69,981.26
(ii) Trade payables	2.20	19,240.16	82,182.86	119,405.86
(iii) Other financial Liablities	2.21	91,221.62	84,252.10	84,447.00
(b) Provisions	2.22	867.88	384.95	1,258.12
(c) Other current liabilities	2.23	10,577.14	10,694.83	920.64
Total current liabilities		**164,188.56**	**226,762.32**	**276,012.88**
Total liabilities		**288,831.08**	**390,073.66**	**538,527.40**
Total equity and liabilities		**393,815.68**	**481,676.03**	**764,761.64**
Significant Accounting Policies	1			
Notes forming of the financial statements	2 to 3.22			

As per our report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration Number 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board

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

M. M. Agrawal
Director
(DIN:00681433)

Kiran Vaidya
Officiating Chief Financial Officer

Suhas Pawar
Company Secretary
Membership No. A36560

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(₹ in Lakhs)

	Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
	CONTINUING OPERATIONS			
	INCOME			
	(a) Revenue from operations	2.24	211,538.72	270,675.41
	(b) Other income	2.25	15,622.96	1,885.72
1	**Total Income**		**227,161.68**	**272,561.13**
	EXPENSES:			
	(a) Operating expenses	2.26	138,362.84	205,428.29
	(b) Employee benefit expenses	2.27	3,641.67	6,555.24
	(c) Finance cost	2.28	23,241.78	27,342.46
	(d) Depreciation and amortisation expenses	2.1	31,863.65	42,745.69
	(e) Impairment of assets		0.83	34,882.81
	(f) Other expenses	2.29	24,134.38	63,776.03
2	**Total Expenses**		**221,245.15**	**380,730.52**
3	**Profit/(loss) before share of (profit)/loss of an associate and a joint venture, exceptional items and tax from continuing operations**		5,916.53	(108,169.39)
4	**Less: Exceptional items (Refer Note 3.4)**		(915.62)	-
5	**Profit/(Loss) before taxes (3 - 4)**		5,001.91	(108,169.39)
6	**Tax expense:**			
	(a) Current tax		(2,011.31)	(282.18)
	(b) Short provision of tax for earlier years		8.72	33.45
	(c) Deferred Tax		(117.65)	(771.36)
7	**Profit for the year (5-6)**		**2,880.67**	**(109,189.48)**
8	**Other Comprehensive Income**		**2,838.17**	**(109,058.35)**
	Items that will not be reclassified toprofit or loss			
	Remeasurements of post employement benefit obligations		(43.33)	131.13
9	Total Comprehensive Income (7-8)		2,837.34	(109,058.35)
10	Less: share of profit / (loss) transferred to Minority Interest		(423.44)	20,960.72
11	Total Comprehensive Income attributable to the owner of the Company		2,413.90	(88,097.63)
12	**Earnings per equity share of Re. 1/- Each (for continuing operation)**			
	Basic (In Rupees)	3.12	0.97	(35.97)
	Diluted (In Rupees)		0.97	(35.97)
	Significant Accounting Policies	1		
	Notes forming part of the financial statements	2 to 3.22		

As per our report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration Number 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board

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

M. M. Agrawal
Director
(DIN:00681433)

Kiran Vaidya
Officiating Chief Financial Officer

Suhas Pawar
Company Secretary
Membership No. A36560

Consolidated Cash Flow Statement

for the year ended March 31, 2017

(₹ in Lakhs)

	Particulars	Current Year	Previous Year
A	**Cash Flow from Operating Activities**		
	Net Profit / (Loss) Before Tax	5,916.53	(108,169.39)
	Adjustment for:		
	Depreciation	31,863.65	42,745.69
	Impairment of assets	0.83	34,882.81
	Provision for doubtful debts/advances	5,564.15	12,905.95
	Remeasurements of net defined benefit plans	(43.33)	131.13
	Interest paid	23,241.78	27,342.46
	(Profit)/Loss on fixed assets sold (net)	13,162.15	44,844.74
	(Profit)/Loss on sale of investments (net)	57.50	(1.66)
	Interest income	(805.70)	(1,747.01)
	Asset written off	99.03	-
	Bad Debts and other amounts written off/(back)	-	270.75
	Unrealised gain on Fair Value of Investment	(13,675.31)	-
	Adjustments for exchange fluctuation	(130.51)	1,155.00
	Operating profit before working capital changes	**65,250.77**	**54,360.47**
	Adjustment for:		
	Decrease/(Increase) in Long-term loans and advances	(435.72)	12,733.14
	Decrease/(Increase) in Inventories	136.65	1,492.26
	Decrease/(Increase) in Short-term loans and advances	(5,445.98)	7,558.21
	Decrease/(Increase) in Other current assets	4,201.56	(1,474.39)
	Decrease/(Increase) in Trade Receivables	13,274.27	10,480.98
	(Decrease)/Increase in Other long term liabilities	(588.29)	(9,054.20)
	(Decrease)/Increase in Long term provisions	40.90	(135.47)
	(Decrease)/Increase in Trade Payables	(62,884.78)	(37,239.05)
	(Decrease)/Increase in Other current liabilities	41,709.48	21,389.24
	(Decrease)/Increase in Short term provisions	482.93	(873.17)
	Net Cash from Operating Activities	55,741.79	59,238.02
	Direct taxes paid	(2,811.29)	(2,233.14)
		52,930.50	**57,004.88**
	Less : Exceptional Item	(915.62)	-
	Total cash from / (used in) operating activites	**52,014.88**	**57,004.88**
B	**Cash Flow from Investing Activities**		
	Acqusition of Fixed Assets including Capital Work in Progress (net)	33,808.10	103,146.45
	(Increase) / Decrease in Short-term loans and advances	25.24	2.43
	(Increase) / Decrease in Capital advances	7,097.01	(2,104.23)
	(Increase) / Decrease in Current Intercorporate deposits	2,153.77	2,758.65
	(Purchase)/sale of Investment	(4,897.49)	467.07
	Investment in fixed deposits	2,040.31	808.94
	Interest Income	728.93	1,908.54
	Net Cash from Investing Activities	**36,875.25**	**106,986.56**

(₹ in Lakhs)

	Particulars	Current Year	Previous Year
C	**Cash Flow from Financing Activities**		
	Proceeds from Long term Borrowings	(72,321.88)	(100,081.97)
	Proceeds from Short term Borrowings	(6,965.82)	(20,733.68)
	Proceeds from issue of shares to minority shareholders	2,417.77	(1,455.73)
	Proceeds from issue of shares QIP net of exp	9,958.26	-
	Increase/(Decrease) in Reserves	(1,917.34)	(25,989.56)
	Dividend Paid (Including Dividend Distribution tax)	(294.75)	(592.27)
	Interest paid	(18,826.64)	(31,959.032)
	Net Cash from Financing Activities	**(87,950.40)**	**(180,812.25)**
	Net Increase / (decrease) in cash and cash equivalents (A + B + C)	**939.73**	**(16,820.80)**
	Cash and Cash Equivalents as at beginning of the year (Refer Note 2.10)	8,488.50	25,306.53
	Add: Unrealised Foreign Exchange Fluctuation on cash and cash equivalents	(10.65)	2.77
	Cash and Cash Equivalents as at end of the year (Refer Note 2.10)	9,417.58	8,488.50
	Cash and Cash Equivalents comprise of:		
	Cash and Bank Balances (Refer Note 2.10)	9,417.58	8,488.50

Notes:

1) In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit/(Loss) for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in bracket represent outflows.

2) Cash and cash equivalents include Unclaimed dividend accounts of ₹ 15.21 lakhs (P.Y. ₹ 22.44 lakhs) which are not available for use by the company.

3) Previous Year's figures have been regrouped wherever necessary to confirm to the current year's classification.

4) The statement of Cash Flows is prepared in accordance with the format prescribed by the Securities and Exchange Board of India and as per Ind AS 7 as notified by Ministry of Corporate Affairs

As per our report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration Number 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board

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

M. M. Agrawal
Director
(DIN:00681433)

Kiran Vaidya
Officiating Chief Financial Officer

Suhas Pawar
Company Secretary
Membership No. A36560

Consolidated Statement of Changes in Equity

for the year ended March 31, 2017

(a) Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No of Share	Amount	No of Share	Amount	No of Share	Amount
Number of shares at the beginning	244,892,073	2,448.92	244,892,073	2,448.92	244,892,073	2,448.92
Add: Shares issued during the year	25,000,000	250.00	-	-	-	-
Number of shares at the end	**269,892,073**	**2,698.92**	**244,892,073**	**2,448.92**	**244,892,073**	**2,448.92**

(b) 2.16 Other Equity

(₹ in Lakhs)

	Deemed Equity	Reserves and Surplus								Other Reserves			Total equity	Non Controling Interst	Total
		Capital Reserve	Capital Reserve on Consolidation	Capital Redempetion Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	General Reserve	Tonnage Tax Reserve	Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of a foreign operation	Other Reserve			
Balance at April 1, 2015		**4,289.49**	**74,441.44**	**4,000.00**	**36,374.92**	**3,750.00**	**25,920.46**	**13,721.95**	**1,180.91**	**(1,153.00)**	**35,891.13**	**-**	**198,417.30**	**25,368.02**	**223,785.32**
Profit for the year							(88,228.76)						(88,228.76)	(20,960.72)	(109,189.48)
Other Comprehensive Income for the year							131.13						131.13		131.13
Dividends							(489.78)						(489.78)		(489.78)
Tax on Dividends							(102.49)						(102.49)		(102.49)
Transfer from retained earnings							(357.40)		357.40				-		-
Adjustment on account of subsidary			(74441.44)				84,719.85			134.11	(36,560.65)	2,296.69	(23,851.44)	(1455.73)	(23,851.44)
Add/(Less) : Ind AS effect	35.81							290.12					325.93		325.93
Balance at March 31, 2016	**35.81**	**4,289.49**	**-**	**4,000.00**	**36,374.92**	**3,750.00**	**21,593.00**	**14,012.07**	**1538.31**	**(1,018.89)**	**(669.52)**	**2,296.69**	**86,201.88**	**2951.57**	**89,153.45**

(₹ in Lakhs)

	Deemed Equity	Reserves and Surplus								Other Reserves			Total equity	Non Controling Interst	Total
		Capital Reserve	Capital Reserve on Consolidation	Capital Redempetion Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	General Reserve	Tonnage Tax Reserve	Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of a foreign operation	Other Reserve			
Profit for the year							2,457.23						2,457.23	(423.44)	2,033.80
Other Comprehensive Income for the year							(43.33)						(43.33)		(43.33)
Increase / (decrease) during the year										1,018.89	665.59	(2,296.69)	(612.21)	3,264.64	2,652.43
Dividends							(294.75)						(294.75)		(294.75)
Transfer to retained earnings													-		-
Securities Premium on Fresh Issue of shares (Net of Expenses)					9,708.26								9708.26		9,708.26
Transfer to General Reserve						(1,250.00)		1,250.00					-		-
Add/(Less) : Ind AS effect							(887.05)	(37.13)					(924.18)		(924.18)
Balance at March 31, 2017	**35.81**	**4289.49**	**-**	**4,000.00**	**46,083.18**	**2,500.00**	**22,825.10**	**15,224.94**	**1,538.31**	**-**	**(3.93)**	**-**	**96,492.91**	**5,792.78**	**102,285.68**

As per our report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration Number 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board

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

M. M. Agrawal
Director
(DIN:00681433)

Kiran Vaidya
Officiating Chief Financial Officer

Suhas Pawar
Company Secretary
Membership No. A36560

Notes forming part of the consolidated financial statements

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2017

CORPORATE INFORMATION

Mercator Limited was incorporated on November 24, 1983 as Private Limited Company with name as Mercator Lines Private Limited. It was converted into Limited Company vide ROC approval dated April 12, 1984. The name was changed to Mercator Limited vide ROC approval dated November 22, 2011.The Consolidated Financial Statements relate to Mercator Limited (the Company) and its subsidiary companies. The Company and its subsidiaries constitute the Group. The Group has diversified business verticals viz. Shipping (tankers and dry bulkers), Dredging, Oil and Gas (EPCIC and E & P), Coal (Mining, Procurement and Logistics).

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for Preparation

The consolidated Ind-AS financial statements of 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 Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statemnets of the subsidiary companies used in the preparation of the Consolidated Ind-As Financial Statements have been drawn upto the same reporting date as that of Mercator Limited, i.e, 31st March 2017.

These Financial statements for the year ended 31st March 2017 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31st march 2016, the group had prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as the 'Previous GAAP') used for its statutory reporting requirement in India.

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, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the 'date of transition to Ind AS'.

Authorisation of financial statements: The Consolidated Ind-AS Financial statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 30th May 2017.

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 lakhs.

1.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following :

1. Certain financial assets and liabilities including derivative instruments is 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 financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the 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.

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 areas involving critical estimates or judgement are:

Assessment of functional currency

Estimation of current tax expenses and Payable - refer note 3.16

Useful lives of property, plant and equipment- refer note 1.7

Measurement of recoverable amount of cash generating units. refer note 2.1

Provisions and Contingencies.

Notes forming part of the consolidated 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of activities of the Company and the normal time between acquisition of assets 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 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.
The following Subsidiary Companies are considered in the Consolidated Ind-AS Financial Statements

(₹ in Lakhs)

Sr. no	Name of the Subsidiary Company	Country of Incorporation	% of holding either directly or through subsidiary as at March 31, 2017	% of holding either directly or through subsidiary as at March 31, 2016	% of holding either directly or through subsidiary as at April 1, 2015
1	Mercator Oil and Gas Limited.	India	100.00%	100.00%	100.00%
2	Mercator Petroleum Limited.	India	87.75%	87.75%	87.75%
3	Oorja Resources India Private Limited.	India	100.00%	100.00%	100.00%
4	Mercator FPSO Private Limited.	India	100.00%	100.00%	100.00%
5	Mercator Global Pte Limited (Refer Table below)	Singapore	-	-	-
6	Mercator International Pte. Limited	Singapore	100.00%	100.00%	100.00%
7	Offshore Holdings Pte Ltd. (Formerly known as Mercator Offshore Holdings Pte. Limited.)	Singapore	100.00%	100.00%	100.00%
8	Brio Resources Pte Ltd.	Singapore	-	-	-
9	Oorja Holdings Pte. Limited.	Singapore	100.00%	100.00%	100.00%
10	Mercator Energy Pte Limited.	Singapore	75.00%	75.00%	78.00%
11	Mercator Projects Pte. Ltd.	Singapore	75.00%	75.00%	78.00%
12	Mercator Offshore Assets Holding Pte Limited	Singapore	75.00%	75.00%	78.00%
13	Mercator Okwok FPU Pte Limited.	Singapore	75.00%	75.00%	78.00%
14	Mercator Okoro FPU Pte Limited.	Singapore	75.00%	75.00%	78.00%
15	Mercator Offshore (P) Pte Limited.	Singapore	76.25%	76.25%	79.10%
16	Ivorene Oil Services Nigeria Limited.	Singapore	-	76.25%	79.10%
17	Fortune Offshore O&M Pte Limited.	Singapore	-	76.25%	-
18	Panther Resources Pte Limited.	Singapore	100.00%	100.00%	100.00%
20	Oorja (Batua) Pte. Limited.	Singapore	100.00%	100.00%	100.00%
21	Oorja 1 Pte. Limited.	Singapore	100.00%	100.00%	100.00%
22	Oorja 2 Pte. Limited.	Singapore	100.00%	100.00%	100.00%
23	Oorja 3 Pte. Limited.	Singapore	100.00%	100.00%	100.00%
24	Oorja Mozambique Lda	Mozambique	100.00%	100.00%	100.00%
25	MCS Holdings Pte. Ltd.	Singapore	100.00%	100.00%	100.00%
26	PT Karya Putra Borneo	Indonesia	50.00%	50.00%	50.00%
27	PT Indo Perkasa	Indonesia	25.50%	25.50%	25.50%
28	Oorja Indo Petangis Four	Indonesia	100.00%	100.00%	100.00%
29	Oorja Indo Petangis Three	Indonesia	100.00%	100.00%	100.00%
30	PT Mincon Indo Resources	Jakarta	100.00%	100.00%	100.00%
31	Bima Gema Permata, PT	Jakarta	100.00%	100.00%	100.00%
32	Nuansa Sakti Kenkana	Jakarta	100.00%	100.00%	100.00%
33	Oorja Indo KGS	Indonesia	100.00%	100.00%	100.00%
34	Broadtec Mozambique Minas Lda	Mozambique	85.00%	85.00%	85.00%
35	MCS Fuel Trading Sdn, Bhd	Malaysia	100.00%	100.00%	100.00%
36	Mercator Lines (Singapore) Limited.	Singapore	-	66.17%	66.17%
37	Vidya Varsha Inc	Panama	-	66.17%	66.17%
38	Chitra Prem Pte Limited	Singapore	-	66.17%	66.17%
39	Marvel Value International Limited	British Virgin Islands	100.00%	100.00%	-

Notes forming part of the consolidated financial statements

Following companies are closed / in process of liquidation during the year

Sr. no	Name of the Subsidiary Company	Date of Closure
1	Mercator Global Pte Limited	closed w.e.f 7 November 2016
2	Mercator Projects Pte Ltd	into liquidation (upto 17th March 2017)
3	Mercator Okwok FPU Pte Ltd	into liquidation- w.e.f 3rd march 2017
4	Mercator Okoro FPU Pte Ltd	into liquidation- w.e.f 3rd march 2017
	Ivorene Oil Services Nigeria Limited.	closed w.e.f 20th february 2017

The Consolidated 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 thise 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 Interest (NCI) which represents part of the net profit or loss and net asets of the subsidiaries that are not, directly or indirectly owned or controlled by the company are excluded.

1.6 Foreign Currencies

(i) 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 ($), 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 lakhs.

(ii) Transaction and balances

Monetary Items:

Transactions in foreign currencies are intitially recorded at their standard Exchange rates determined monthly.

Monetary assets and liabilities denominated inforeign currencies are translated at exchange rates prevailing on the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in Consolidated Statement of Profit or loss as Borrowing costs to the extent regarded as an Adjustment to the borrowing costs. They are deferred in 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 operations.

Non Monetary Items:

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 1st April, 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 amortised in the statement of Profit and loss over the balance useful life of the long term foreign currency monetary item.

(iii) 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.

Notes forming part of the consolidated financial statements

- 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 recognised in other comprehensive income.

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 recognised 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

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 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 recognised 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 recognised in profit or loss as incurred.

Capital work in progress, plant and equipment is 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 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 fixed assets 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:

Tankers, Dry Bulk carriers, Cutters, Dredgers	25 years
Gas Carriers	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.

1.8 Intangible Assets

Computer Software:

Software's meeting the recognition criteria are recognized as Intangible assets and amortised from the period the asset is available for use.

Costs associated with maintaining the software programs are recognized as expense as they are incurred.

1.9 Capital work in progress

All expenditure and borrowings cost incurred during the asset acquisition period, are accumulated and shown under this head till the asset is put to commercial use.

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

Notes forming part of the consolidated financial statements

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.

1.11 Investment Property

Since there is no change in the functional currency, the group has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 1, 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 Holding Company depreciates building component of investment property over 20 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 derecognition.

1.12 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 increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised 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.

1.13 Inventories

Bunker and Lubes on vessels are valued at lower of cost and net realisable value ascertained on first in first out basis.

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.

1.14 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 preacquisiton 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.

Notes forming part of the consolidated financial statements

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 Capital Work in Progress. Exploration and Evaluation assets is assessed for impairment and impairment loss if any, is recognised, 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 recognised 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.

1.15 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.

1.16 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 and exploitation of the area of interest or, alternatively, by its sale; or

(ii) exploration activities in the area of interest have not yet reached the 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 area of 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.

1.17 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 3 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. Bank Overdrafts are shown within borrowings in current liabilities in Balance sheet.

1.18 Cash Flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax

Notes forming part of the consolidated financial statements

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.

1.19 Leases

a) Finance Lease

Leases are classified as finance leases, if substantially all of the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

b) Operating Lease

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

As a lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1.20 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.

1.21 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 amorised over the period of the facility to which it relates.

The fair value of the liability portion of an optionally convertible bonds is determined using a market interest rate for an equivalent non convertible bonds. 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 share holders 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 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.

1.22 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. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its

Notes forming part of the consolidated financial statements

intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. 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.

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 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 expense as they fall due.

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 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 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 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.

1.25 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 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.

Notes forming part of the consolidated financial statements

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:

- 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 (OCI). However, The company recognizes interest income, impairment losses & 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 P&L. 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 P&L, 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 FVOCI) and equity instruments (measured at FVPTL) 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 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

Notes forming part of the consolidated financial statements

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.

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 are recognized in OCI. These gains/ loss 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

Notes forming part of the consolidated financial statements

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.

1.26 Provisions and Contingencies

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 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 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.

1.27 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 recognised 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 before the close of the year. All corresponding direct expenses are also provided.

Notes forming part of the consolidated financial statements

b) **Cargo Handling**

Where loading of the cargo is not completed before the close of the year, revenue is not recognised and the corresponding expenses are also carried forward to the next year.

c) **Charter Hire Income**

Income from charter hire and demurrage earnings is recognized on accrual basis as per the terms of agreement.

d) **Dividend Income**

Dividend on investments is recognised when the right to receive the same is established by the balance sheet date.

e) **Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

f) **Insurance Claims**

Claims including insurance claims are accounted when there is a reasonable certainty of the realisability of the claim amount.

g) **Revenue from Mining Activity**

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.

h) **Income from Construction Contracts**

In case of a subsidiary, revenue from long-term construction contracts is recognised 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.

i) Income from other services is accounted on accrual basis as per the terms of the relevant agreement.

1.29 Incomplete Voyages

Incomplete voyages represent freight received and direct operating expenses on voyages which are not complete as at the Balance Sheet date

1.30 Provision for Taxation :

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 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 therefore no impact on deferred tax

(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 recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

2.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

	Property, plant and equipment									Capital work in progress
	Land	Vessels	Furniture and Fixtures	Vehicles	Office Premises	Computer Equipments	Mines	Mining Equipments	Total	
Deemed Cost At April 1, 2015	11,194.41	464,366.85	773.89	355.16	230.55	30.13	7,791.84	13,417.30	498,160.13	62,033.12
Additions	-	33,118.32	17.33	83.34	11.77	24.96	1,676.53	2,162.08	37,094.33	6,746.89
Disposals	(174.66)	(242,778.41)	(105.94)	(75.10)	(7.74)	(11.68)	(376.44)	(264.65)	(243,794.62)	
Adjustments	781.09	35,652.69	128.70	152.36	32.20	3.29	(3,448.80)	1,385.19	34,686.72	
At March 31, 2016	**11,800.84**	**290,359.45**	**813.98**	**515.76**	**266.78**	**46.70**	**5,643.13**	**16,699.92**	**326,146.56**	**68,780.01**
Additions	44.25	6,625.24	71.33	-	41.47	69.90	7,138.67	1,168.39	15,159.25	627.14
Disposals	(382.96)	(55,468.34)	(173.15)	(69.94)	-	(0.49)		(21.84)	(56,116.72)	
Translation/Adjustments	(275.87)	(5,597.13)	(10.63)	(8.96)	8.33	10.15	(3,141.31)	(335.62)	(9,351.04)	
At March 31, 2017	**11,186.26**	**235,919.22**	**701.53**	**436.86**	**316.58**	**126.26**	**9,640.49**	**17,510.85**	**275,838.05**	**69,407.15**
At April 1, 2015										
Depreciation and impairment	-	-	-	-	-	-	-	-	-	
Depreciation charge for the year	391.89	42,224.72	354.12	138.62	43.04	19.33	-	1,185.06	44,356.78	
Impairment	-	-	-	-	-	-	2,298.22	-	2,298.22	
Disposals	-	-	-	-	-	-	-	-	-	
Translation/Adjustments	38.67	13,098.08	43.53	37.61	17.41	2.27	231.06	199.68	13,668.31	
At March 31, 2016	**430.56**	**55,322.80**	**397.65**	**176.23**	**60.45**	**21.60**	**2,529.28**	**1,384.74**	**60,323.31**	**-**
Depreciation charge for the year	719.71	27,029.60	169.95	86.91	22.51	14.02	111.87	3,684.23	31,838.80	
Disposals	-	-	-	-		-	-	-	-	
Impairment	-	-	-	-	-	-	-	0.83	0.83	
Translation/Adjustments	(43.84)	(2,119.71)	(21.82)	(0.77)	(3.09)	3.56	(139.34)	(292.77)	(2,617.78)	
At March 31, 2017	**1,106.43**	**80,232.69**	**545.78**	**262.37**	**79.87**	**39.18**	**2,501.81**	**4,777.03**	**89,545.16**	**-**
Net book value										
At April 1, 2015	11,194.41	464,366.85	773.89	355.16	230.55	30.13	7,791.84	13,417.30	498,160.13	62,033.12
At March 31, 2016	11,370.28	235,036.65	416.33	339.53	206.33	25.10	3,113.88	15,315.18	265,823.25	68,780.01
At March 31, 2017	10,079.83	155,686.53	155.75	174.49	236.71	87.08	7,138.68	12,733.82	186,292.89	69,407.15

Note:

1 Vessels, Land and vehicle of Net book value of ₹ 1,57,350.77 Lakhs, ₹ 11.31 Lakhs and ₹ 13.91 Lakhs respectively has been charged/mortgaged to the lenders (Refer Note 2.16)

2 Impairment testing for fleet
In view of pertinent slowdown in shipping industry, the Company has assessed 'recoverable amount' of each fleet by estimating their "value in use", in terms of IND-AS 36 "Impairment of Assets". 'Value in use' is estimated by applying appropriate discount rate to projected net cash inflows having regard to existing long term contracts, expected tariff based on past trends and costs to operate the fleet which represents the mangement's best estimate of the set of economic conditions that will exist over remaining useful life of each fleet. Based on the aforementioned assessment, it has been concluded that 'recoverable amount' of the fleet is higher than their respective carrying amount.

3 Impairment testing for minning properties
The Company assessed 'recoverable amount' of each CGU (Cash Generaing Unit) by determining the value in use , 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. While 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.

Notes forming part of the consolidated financial statements

2.2 INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	Office Premises
Deemed Cost At April 1, 2015	163.65
Additions	-
Disposals	-
Adjustments	(1.11)
At March 31, 2016	**162.54**
Additions	-
Disposals	-
At March 31, 2017	**162.54**
At April 1, 2015	
Accumulated Amortisation	-
Additions	20.22
Disposals	
Adjustments	(0.64)
At March 31, 2016	**19.58**
Additions	17.66
Disposals	
At March 31, 2017	**37.24**
Closing net Carrying amount	
At April 1, 2015	163.65
At March 31, 2016	142.96
At March 31, 2017	125.30

Note:

1 Investment Property of net book value of ₹ 125.30 Lakhs is charged/mortgaged to the lender of one of the subsidiary

2 Fair value of Investment property

(₹ in Lakhs)

Particulars	Office Premises
At April 1, 2015	1,204.74
At March 31, 2016	1,271.67
At March 31, 2017	1,338.60

3 Estimation of Fair value of Investment Property

The fair value of investment property is based on prevailing market rate and present condition of property based on the valuer's opinion and prudent judgement.

4 Premises given on operating lease

The company has given investment properties on operating lease. These lease arrangements are for a period of 5 years from 18th March 2016 to 17th March 2021 and has lock in period of 3 years from 18th March,2016 to 17th March, 2019.

5 Income from investment properties

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Rental Income derived from investment properties	60.00	16.76
Direct operating expenses (including maintenance) generating rental income	6.28	6.94
Income arising from investment properties before depreciation	**53.72**	**9.82**
Depreciation	17.66	20.22
Income from investment properties (net)	**36.06**	**(10.40)**

Notes forming part of the consolidated financial statements

2.3 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software
Deemed Cost At April 1, 2015	40.07
Additions	2.13
Disposals	
At March 31, 2016	**42.20**
Additions	
Disposals	
Adjustment	(5.69)
At March 31, 2017	**36.51**
Accumulated Amortisation	
Additions	9.85
Disposals	
At March 31, 2016	**9.85**
Additions	7.20
Disposals	
Adjustment	
At March 31, 2017	**17.05**
Closing net Carrying amount	
At April 1, 2015	40.07
At March 31, 2016	32.35
At March 31, 2017	19.46

2.4 Investments

(₹ in Lakhs)

Particulars	Nos	As at March 31, 2017	Nos	As at March 31, 2016	Nos	As at March 31, 2015
Non Current Investments - At cost						
Investment in Equity Shares						
Marg Swarnabhoomi Port Private Limited	1,250	0.12	1,250	0.12	1,250	0.12
Non trade investments (Unquoted)						
Investment in Others						
Units of Indian Real Opportunity Venture Capital Fund		-	5,968	59.68	7,380	73.80
Axis Infra Bond	-	-	-	-	-	63.68
Others	-		-	11.28	-	-
Aggregate amount of Unquoted investments		**0.12**		**71.08**		**137.60**
Current Investments - at the lower of cost and fair value						
Quoted						
Investments in Mutual Funds						
Axis Infra Bond	-	-	-	-	-	392.93
(Market value of current investments on 31.3.16 Nil (P.Y. ₹ 442.28 lakhs)						
Aggregate amount of Quoted investments	-	18,586.25	-	-		392.93
Unquoted						
Investment in Rights of Mining (FVTPL)		18,586.25		-	-	

Notes forming part of the consolidated financial statements

(₹ in Lakhs)

Particulars	Nos	As at March 31, 2017	Nos	As at March 31, 2016	Nos	As at March 31, 2015
Investment in Shares	-	-	-	-	-	5.96
Aggregate amount of Unquoted investments	-	-	-	-	-	5.96
Aggregate amount of Current investments		18,586.25		-		398.88

2.5 Loans (Non Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured			
Considered good			
Security Deposits	761.72	533.10	688.24
Other deposits	971.79	768.98	3,091.75
Other deposits to related parties*	-	-	500.00
	1,733.51	**1,302.08**	**4,279.99**
* Other deposits to related parties			
MLL Logistics Private Limited		-	500.00
	-	-	500.00

2.6 Other Financial Assets (Non Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fixed Deposits with bank with maturity more than 12 months	134.83	561.93	292.80
Accrued interest on fixed deposit with banks	15.69	39.09	4.79
Unamortized finance charges	119.87	8.27	7.51
Exploration and development expenses recoverable	-	-	8,163.67
Deffered exploration and development of mine	-	-	107.86
	270.39	**609.29**	**8,576.63**

2.7 Other non current assets

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, Considered Good			
(a) Capital Advances			
Capital Advances	5,583.78	11,509.81	9,135.58
Capital Advances to related parties*	2,758.98	3,929.96	4,199.96
(b) Advance Other than Capital Advances			
Deposits with government and semi government bodies	7.54	7.54	4.24
(c) Other Advances			
Advances Recoverable	123.11	118.82	763.39
Advance payment of tax (Net of Provisions)	12,017.33	11,254.04	8,638.29
Derivative financial instruments	-	-	842.43
MAT credit available	975.00	975.00	975.00

Notes forming part of the consolidated financial statements

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	21,465.74	**27,795.17**	**24,558.89**
Capital Advances to related parties*			
Vaitarna Marine Infrastruture Limited	2,758.98	4,199.96	4,199.96
Less : Provision	-	(270.00)	-
	2,758.98	3,929.96	4,199.96

2.8 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
At Cost (Valued at lower of cost and net realisable value)			
Coal	769.82	1,044.83	1,775.12
Bunker and lubes	1,014.94	876.58	1,638.55
	1,784.76	**1,921.41**	**3,413.67**

2.9 Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured			
Considered good			
Trade receivables	39,026.26	55,155.85	79,100.58
Receivables from related parties	-	2,714.25	2,407.98
Considered doubtful			
Trade receivables	1,974.27	2,202.08	2,618.71
Less Allowances for doubtful debts	(1,974.27)	(2,202.08)	(2,618.71)
	39,026.26	**57,870.10**	**81,508.56**

Refer Note 3.17 (b) for information about market risk of trade receivables

2.10 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i) Balances with banks	3,753.08	3,466.29	21,425.21
ii) Cash in hand	3,690.83	44.62	52.40
iii) Deposits with banks with 3 months maturity	1,973.67	4,977.59	3,828.92
	9,417.58	8,488.50	25,306.53
iv) Fixed Deposits with bank with maturity more than 3 months but less than 12 months	3,523.30	1,055.89	2,133.96
	12,940.88	**9,544.39**	**27,440.49**
Balances with banks in unpaid dividend accounts	15.21	22.44	34.48
Balances with banks includes amount in escrow account	14.29	11.00	431.59
Balances with banks held as margin money deposits against guarantees	817.32	1,355.39	1,078.37

Notes forming part of the consolidated financial statements

2.11 Loans (Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, Considered Good			
Other Loans	-	25.24	27.67
Security Deposits	165.85	19.55	15.90
	165.85	**44.79**	**43.57**

2.12 Other Financial Assets (Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Accrued interest on fixed deposit with banks	133.36	28.07	197.26
Interest accrued and due	-	5.12	31.76
Unsecured			
Considered good			
Inter corporate deposits to related parties*	-	2,180.13	5,739.13
Inter corporate deposits to others	1,400.52	1,374.16	1,288.37
Insurance Claim receivable	5,428.05	5,428.05	5,428.05
Advance payment of tax (net of provisions)	0.44	-	668.89
Others	-	43.54	-
Considered doubtful			
Inter corporate deposits to others	935.77	935.77	935.77
Advance to suppliers	-	-	714.56
	935.77	935.77	1,650.33
Less: Provision for doubtful advances	(935.77)	(935.77)	(1,650.33)
	-	-	-
	6,962.37	**9,059.07**	**13,353.46**
Inter Corporate deposits to related parties			
MLL Logistics Private Limited		2,180.13	5,739.13
	-	2,180.13	5,739.13

2.13 Other current assets

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others			
Contract work in progress	22,454.27	26,006.33	24,587.54
Unamortized finance charges	160.47	4,874.44	697.00
Prepaid expenses	1,129.08	1,778.58	1,722.98
Advance to employees	21.76	46.56	136.38
Advance to suppliers	3,941.48	3,589.42	7,005.86
Advances recoverable	6,917.57	1,866.60	5,877.51
Indirect Tax receivable	803.85	839.20	212.87
	35,428.48	**39,001.13**	**40,240.14**

Notes forming part of the consolidated financial statements

2.14 Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised			
35,00,00,000 Equity shares of Re 1/- par value each	3,500.00	3,500.00	3,500.00
200,00,000 Preference shares of ₹ 100/- par value each	20,000.00	20,000.00	20,000.00
	23,500.00	**23,500.00**	**23,500.00**
Issued Capital			
26,98,92,073 share (March 31, 2016: 24,48,92,073 and April 1, 2015: 24,48,92,073) Equity shares of ₹ 1 each			
Opening Balance	2,448.92	2,448.92	2,448.92
Add : Shares issued during the year	250.00		
Closing Balance	**2,698.92**	**2,448.92**	**2,448.92**
Subscribed and Fully Paid Up Capital			
Opening Balance	2,448.92	2,448.92	2,448.92
Add : Shares issued during the year	250.00		
Closing Balance	**2,698.92**	**2,448.92**	**2,448.92**

Terms/Rights attached to Equity shares

The company has two class of shares referred to as Equity Shares having a par value of Re.1/- and Preference Shares having a par value of ₹ 100/-. Each holder of Equity Shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend 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 preferetial amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the period of five years immediately preceding the date as at which the balance sheet is prepared:

(i) No shares were allotted pursuant to contracts without payment being received in cash.

(ii) No bonus shares were issued.

(iii) No shares were bought back.

Details of shareholders holding more than 5 percent equity shares in the company:

Name of the shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Equity shares of Re. 1 each fully paid	No of shares	% of holding	No of shares	% of holding	No of shares	% of holding
H. K. Mittal	46,766,700	17.33	46,766,700	19.10	46,654,200	19.05
Archana Mittal	27,027,400	10.01	26,327,400	10.75	26,327,400	10.75
AHM Investments Private Limited	18,406,250	6.82	18,406,250	7.52	18,406,250	7.52
Albula Investment Fund Ltd	-	-	12,436,005	5.08	-	-
Government of Singapore	15,366,840	5.69	-		-	
Lotus Global Investments Ltd	-	-	-	-	14,229,669	5.81

Notes forming part of the consolidated financial statements

2.15 Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Reserve	4,289.49	4,289.49	4,289.49
Capital Reserve on Consolidation	-	-	74,441.44
Capital Redemption Reserve	4,000.00	4,000.00	4,000.00
Securities Premium Account	46,083.18	36,374.92	36,374.92
Tonnage Tax Reserve	1,538.31	1,538.31	1,180.91
Debenture Redemption Reserve	2,500.00	3,750.00	3,750.00
General Reserve	15,224.94	14,012.07	13,721.95
Other Reserve	-	2,296.69	-
Foreign Currency Monetary Item Translation Difference Account	1,215.54	893.35	1,241.81
Foreign Exchange Currency Translation Reserve	(1,220.80)	(1,564.20)	34,649.32
Hedging Reserve	-	(1,018.89)	(1,153.00)
Surplus	22,826.43	21,594.33	25,920.46
Deemed Equity Component on FCCB	35.81	35.81	-
Closing	**96,492.90**	**86,201.88**	**198,417.30**

Capital Reserve
Capital reserve is utilised in accordance with provisions of the act

Capital Reserve on Consolidation
Capital reserve is being created on dilution of the equity holding in foreign Subsidiary

Capital Redemption Reserve
Capital Redemption reserve (CRR) is being created as per Section 80 (d) of companies act 2013

Security Premium Reserve
This reserve is created and utilised as per the provisions of the act

Tonnage Reserve
These reserves are mandatory under the Income Tax Act, 1961 for companies who opt for the Tonnage Tax scheme prescribed under the said Act.

Debenture Redemption reserve
The company is required to create a debenture redemption reserve out of the profits which is availaible for purchase of redemption of debentures

General Reserve
General Reserve represents appropriation of retained earnings and are available for distribution to Shareholders

Other Reserve and Deemed Equity
Other Reserve represents deemed equity portion of FCCB of Group subsidiaries

Foreign Currency Translation Reserve
Foreign Currency Translation Reserve reported difference of exchange rate on conversion of foreign subsidiaries account balances.

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 borowings 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.

Hedging reserve
This records the movement in the value of cash flow hedges

Notes forming part of the consolidated financial statements

Retained earnings

Retained earnings represents surplus/ accumulated earnings of the company and are available for distribution to shareholders.

Note:

Proposed dividend on equity shares not recognised

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Final dividend for the year ended ₹ 0.05 per share (Previous year: ₹ 0.10 per share)*	134.95	244.89
Dividend distribution tax on proposed dividend	27.47	49.85
Total	**162.42**	**294.74**

*The Company has declared Dividend @ ₹ 0.05 per share(P.Y. ₹ 0.10 per share) as proposed by Board of Directors and is subject to approval at the ensuing Annual General Meeting of Shareholders.

2.16 Borrowings (Non current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured			
(A) Debentures	5,000.00	10,000.00	15,000.00
(B) Term Loan From Banks			
i) Foreign Currency Loans	56,327.54	105,776.03	193,262.04
ii) Term loans	49,565.66	33,009.17	31,088.94
Unsecured			
(C) Foreign Currency Convertible Bonds (FCCB)	9,064.44	8,784.43	7,876.85
	119,957.64	**157,569.63**	**247,227.83**

Notes:

(i) Secured

a) Debentures referred in (A) above are secured by first mortgage on specified vessels and first pari-passu charge on the specified immovable property of the Company.

b) Foreign Currency Loan referred in (B) (i) above are secured by, wherever applicable
   (i) By way of exclusive charge on specified vessel(s)
   (ii) By way of pari-passu charge on specified vessel(s)
   (iii) By way of exlusive charge on specified mining assets
   (iv) Corporate guarantee(s)
   (v) Personal guarantee
   (vi) Charge on loan provided to subsidiary
   (vii) Assigment of contract(s); Earnings and Insurance
   (viii) Charge on shares; Deposits & Accounts

c) Term Loans referred in (B)(ii) above are secured by exclusive/first pari passu/residual charge on specified vessels, charge on cash flows of specified vessels and charge on Current assets of specified exploratory block and investment property of the holding company.

(ii) Unsecured

FCCB referred in (C) are convertible upon exercise of option during the period May 27, 2014 till April 27, 2019 with initial conversion price of ₹ 38.30 Per Share (at a fixed rate of exchange on conversion of ₹ 58.5740 per 1 USD). The maturity date of FCCB is May 27, 2019

Notes forming part of the consolidated financial statements

(₹ in Lakhs)

Description	ROI*	Balance installments as on 31.03.2017	Year of maturity F.Y. ending	Amount outstanding 31.03.2017	Amount outstanding 31.03.2016	Amount outstanding 31.03.2015
Debentures	12.40%	2	2019	10,000.00	15,000.00	15,000.00
Term Loan	12.25%	0	2017	-	4,784.54	6,364.82
Term Loan	12.45%	0	2017	-	3,295.05	4,388.70
Term Loan	9.49%	22	2019	10.69	15.80	-
Term Loan	Libor+3.25%	0	2017	-	3,146.43	5,932.06
External Commercial Borrowing	Libor+3.00%	0	2016	-	-	3,902.56
External Commercial Borrowing	Libor+5.00%	4	2019	2,107.25	2,404.57	2,503.63
External Commercial Borrowing	Libor+3.40%	17	2022	10,374.18	11,939.92	11,266.34
External Commercial Borrowing	Libor+3.40%	20	2022	5,418.18	6,944.73	-
Term Loan	Libor+5.00%	12	2020	2,847.62	3,335.27	1,018.70
Term Loan	Libor+5.60%	20	2022	12,204.12	14,431.45	15,135.35
Term Loan	Libor+2.60%	0	2017	-	2,682.06	3,625.59
Term Loan	Libor+4.50%	10	2020	2,699.68	3,570.31	8,925.76
Term Loan	Libor+4.50%	8	2020	2,807.51	3,979.97	-
Term Loan	Libor+4.50%	20	2022	3,713.45	4,442.79	-
Term Loan	Libor+5.50%	14	2021	4,163.50	5,548.73	-
Term Loan	Libor+5.20%	20	2022	11,230.31	-	-
Term Loan	Libor+4.50%	28	2025	9,147.26	-	-
Term Loan	Libor+5.50%	24	2023	3,030.36	-	-
Term Loan	Libor+5.50%	24	2024	4,241.04	-	-
FCCB	4.75%	1	2020	9,064.44	8,784.43	7,876.85
Term Loan	13.15%	9	2021	2,609.90		
Foreign Currency Loan	Libor +5.0%	20	2021	11,508.85	13,266.58	-
Foreign Currency Loan	Libor +6.0%	1	2018	-	9,949.95	9,388.62
Foreign Currency Loan	Libor +3.80%	28	2023	27,545.27	30,735.93	31,411.71
Foreign Currency Loan	Libor +6.0%	2	2017	6,889.10	1,691.49	8,762.71
Foreign Currency Loan	Libor +6.0%	10	2019	-	8,730.49	10,532.57
Foreign Currency Loan	Libor +3.75%	8	2018	-	31,176.46	42,405.27
Foreign Currency Loan	Libor +4.75%	5	2019	-	11,077.59	10,953.39
Foreign Currency Loan	Libor +1.5%	0	2016	-	-	39,614.73
Foreign Currency Loan	Libor +2.50%	0	2016	-	-	21,134.64
Foreign Currency Loan	Libor +3.0%	0	2016	-	-	4,991.70
Foreign Currency Loan	Libor +2.25%	0	2016	-	-	1,668.58
Foreign Currency Loan	Libor +2.35%	0	2016	-	-	9,910.90
Foreign Currency Loan	Libor +2.25%	0	2016	-	-	15,311.91
Foreign Currency Loan	Libor+5.25%	0	2016	-	-	5,007.26
Foreign Currency Loan	Libor+6.0%	0	2016	-	-	5,633.23
Bond	5.00%	1	2017	-	13,000.04	12,517.94
				141,612.69	**213,934.57**	**315,185.54**
Less: Shown in current maturities of long term debt				21,655.05	56,364.94	67,957.71
Balance shown as above				**119,957.61**	**157,569.63**	**247,227.83**

* Applicable Rate of Interest as on 31.03.2017

Notes forming part of the consolidated financial statements

2.17 Other financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others			
Liability towards cash flow hedges (Refer note 3.16(a)(v))	-	509.44	864.75
Provision for onerous contracts	-	-	13,741.91
Security Deposit	18.00	18.00	146.06
Others	4,227.48	4,815.77	-
	4,245.48	**5,343.21**	**14,752.72**

2.18 Provision (Non Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits			
Gratuity	379.99	310.83	458.11
Compensated absences	59.41	87.67	75.86
	439.40	**398.50**	**533.97**

2.19 Borrowings (Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured			
Loans repayable on demand			
Bank Overdraft*	31,497.05	41,969.13	61,544.41
Foreign Currency Demand Loan from Bank**	5,187.09	5,306.63	5,007.26
Other Loans***	3,600.00	-	-
Unsecured			
Bank Overdraft	1,997.62	1,971.82	3,429.59
	42,281.76	**49,247.58**	**69,981.26**

Note:

*Bank Overdraft are secured by first charge on respective receivables on pari-passu basis and second charge on specified vessels; and further by way of Corporate Guarantees, wherever applicable.

**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 undertake after 6 months. Rate of Interest: 6 months LIBOR plus 5.5 % p.a. payable monthly.

*** Loans from others are secured against shares held by promoter.

2.20 Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total Outstanding of			
- Micro and small enterprises (refer Note 3.12)			
- Other than micro and small enterprises	19,240.16	82,182.86	119,405.86
	19,240.16	**82,182.86**	**119,405.86**

Notes forming part of the consolidated financial statements

2.21 Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current maturities of long-term debt			
1) Debentures (Refer Note 2.16 (a))	5,000.00	5,000.00	-
2) Foreign Currency Loan (Refer Note 2.16 (b)	3,066.16	35,141.71	53,655.88
3) Term loans from banks (Refer Note 2.16 (c))	13,588.89	16,223.23	14,301.83
Interest accrued but not due on borrowings	1,279.50	1,455.65	1,859.93
Interest accrued and due on borrowings	-	11.08	45.17
Income received in advance	-	6,500.59	9,063.11
Unpaid dividend*	15.21	22.44	34.48
For Other liabilities			
Salaries & wages payable	54.48	135.19	18.29
Liability towards cash flow hedges	549.37	509.44	288.25
Other payables	67,668.01	19,252.77	5,180.06
	91,221.62	**84,252.10**	**84,447.00**

* There is no amount, due and outstanding, to be credited to Investor Education and Protection Fund.

2.22 Provision (Current)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits			
Gratuity	87.76	16.03	23.69
Compensated absences	26.87	25.86	25.29
Others			
Provision for onerous contracts	-	-	1,199.18
Provision for tax	753.25	343.06	-
Others	-	-	9.96
	867.88	**384.95**	**1,258.12**

2.23 Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory dues payables	1,147.82	1,056.71	919.81
Advance from customer	9,429.32	9,638.12	0.83
	10,577.14	**10,694.83**	**920.64**

2.24 Revenue from operations

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Freight	27,170.38	30,865.49
Charter hire	64,205.39	83,605.78
Dispatch and demurrage	-	272.93
Net gain on Derivatives translation	2,640.82	2,307.81
Sale of Coal	114,641.45	125,426.16
Cargo handling services	285.85	3,014.77
Income from project related activities	2,594.83	25,182.47
	211,538.72	**270,675.41**

Notes forming part of the consolidated financial statements

2.25 Other income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Rent received	60.00	16.76
Interest income	805.70	1,747.01
Gain on sale of non-current investments	-	1.63
Gain on sale of assets (net)	-	0.03
Other Income	14,757.26	120.29
	15,622.96	**1,885.72**

2.26 Operating expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Purchase of Coal	97,861.01	119,391.59
Coal Mining and Logistics expenses	-	156.21
Designing and other technical charges	1,132.05	17,301.30
Procurement of equipments for project related activities	86.89	4,347.21
Bunker consumed	8,883.42	10,667.70
Vessel /Equipment hire expenses	3,423.05	4,955.40
Crew Expenses	12,901.94	15,681.91
Agency, Professional and service expenses	1,210.60	1,571.24
Communication expenses	181.34	142.47
Miscellaneous expenses	678.28	762.12
Commission	5.47	587.91
Dispatch & Demurrage	587.23	33.65
Cargo Handling	1.26	-
Insurance	2,597.23	4,581.14
Port expenses	420.25	717.30
Repairs and maintenance	7,805.45	22,875.08
Stevedoring, transport and freight	587.37	1,656.06
	138,362.84	205,428.29

2.27 Employee benefits expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Salaries, wages, bonus, etc.	3,464.23	6,151.69
Contribution to provident and other funds	135.05	154.37
Employee welfare expenses	42.39	249.18
	3,641.67	**6,555.24**

*Employee costs amounting to ₹ 119.87 Lakhs (P.Y ₹ 425.40 Lakhs) being directly attributable to the Exploration and Development costs are included in Capital work in progress.

Notes forming part of the consolidated financial statements

2.28 Finance cost

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Interest expense	20,045.74	24,087.10
Other borrowing costs	3,196.04	3,255.36
	23,241.78	**27,342.46**

* Finance costs amounting to ₹ 1,007.48 Lakhs (P.Y ₹ 905.92 Lakhs) being directly attributable to the Exploration and Development costs are included in Capital work in progress.

2.29 Other expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Rent	412.72	839.40
Payment to auditors		
As auditors	110.49	121.07
For other services	14.56	24.99
Repairs and maintenance (office premises and premises acquired on lease)	135.89	200.49
Insurance	14.10	37.10
Net loss on foreign currency transaction/transalation	202.46	1,290.44
Legal, Professional and consultancy expenses	2,601.46	1,414.80
Donation	14.21	19.91
Communication expenses	52.29	93.06
Conveyance, car hire and travelling	478.47	696.90
Advertisement	3.23	5.85
Loss on sale of assets (net)	13,162.15	44,844.74
Loss on sale of non-current investments	57.50	-
Bad Debts and other amounts written off/back	-	270.75
Asset no longer required, written off	99.03	
Provision for doubtful debts/advances	5,564.15	12,905.95
Miscellaneous expenses	1,211.67	1,010.58
	24,134.38	**63,776.03**

Notes forming part of the consolidated financial statements

3. OTHER DISCLOSURES

3.1 Contingent Liabilities not provided for

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Counter guarantees issued by the Company for guarantees obtained from bank (net of margin).	11,002.52	11,482.27
Letter of Comforts issued by the Company on behalf of Subsidiary	4798.06	-
TOTAL	**15,800.58**	**11,482.27**

3.2 Claims against the Company not acknowledged as debts in respect of following items:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
In respect of Income Tax matters*	12,763.92	11,730.59
In respect of Service Tax matters	6,402.87	6,396.73
Others	3,994.35	3,788.43

* Against the above, the company has already paid ₹ 4,075.09 Lakhs (P.Y. ₹ 3,918.46 Lakhs)

3.3 Estimated amount of contracts remaining to be ,executed on capital accounts and not provided for (net of advances) as at March 31, 2017 ₹ 8,099.24 lakhs (P.Y. ₹ 8,302.48 Lakhs).

3.4 Exceptional item as at March 31, 2017 ₹ 915.62 lakhs (P.Y. ₹ NIL) relates to termination of cash flow hedge contracts.

3.5 During the year ended March 31, 2017, in a subsidiary the Director General of Hydrocarbons (DGH) invoked a Bank Guarantee of ₹ 4.69 crores due to expiry of Phase -I of the Production Sharing Contract ('PSC') in relation to an Onshore Block (identified as Block CB-ONN-2005/3) in Ahmedabad and Mahesana districts in the State of Gujarat.

As per the company, the delay however has been attributable to the delays in grants of Environmental Clearance ('EC') from the Ministry of Environment and Forests ('MOEF') and Geo-Technical Data ('GTD') from the Directorate General of Hydrocarbons ('DGH') by 1,270 days, the Company was unable to commence drilling operations in the said Block. The company has requested DGH to consider the work done by it as fulfilment of Minimum Work Programme in cognizance of delays in giving permissions and allow it to enter into the Phase -II of the PSC

The company has obtained a legal opinion in this matter and on the basis of the said opinion, is confident that it has adequate grounds to contest the case as the PSC has provisions for the company to enter the Phase II of the PSC and accordingly no provision is required to be made in the financial statements.

3.6 Disclosures in accordance with Ind AS -19 on "Employee Benefits":

(A) Defined Contribution Plans:

The Company has recognized the following amounts in the Statement of Profit and Loss for the year:

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
i	Contribution to Employees' Provident Fund (Includes Contribution to Seamen's Provident Fund)	85.97	109.94
	Total	**85.97**	**109.94**

(B) Defined Benefit Plans:

General Description of Significant Defined Benefit Plans:

Gratuity Plan:

Gratuity is payable to all eligible employees of the company as per the provisions of the Payment of Gratuity Act, 1972. Gratuity is payable on resignation/retirement of the employee who has completed five years of continuous service.

Notes forming part of the consolidated financial statements

(i) **Changes in Defined Benefit Obligation (Gratuity)**

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Defined Benefit Obligation at the beginning	**319.57**	**354.31**
Current Service Cost	88.87	90.24
Past Service Cost	15.85	
(Gain) / Loss on settlements	5.63	(11.74)
Interest Expense	24.23	27.45
Benefit Payments from Plan Assets		-
Benefit Payments from Employer	(27.50)	(15.62)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	4.81	(1.63)
Remeasurements - Due to Experience Adjustments	36.26	(123.43)
Defined Benefit Obligation at the end	**216.43**	**170.38**

(ii) **Change in Fair Value of Plan Assets (Gratuity)**

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Fair Value of Plan Assets at the beginning	-	-
Interest Income	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	32.53	11.82
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets		
Benefit Payments from Employer	(32.53)	(11.82)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	-	-
Fair Value of Plan Assets at the end	-	-

Notes forming part of the consolidated financial statements

(iii) Components of Defined benefit cost (Gratuity)

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Current Service Cost	88.36	88.61
Past Service Cost	15.85	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	**104.22**	**88.61**
Interest Expense on Defined benefit obligation	24.23	27.45
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	**24.23**	**27.45**
Reimbursement of Other Long Term Benefits	5.03	4.87
Defined Benefit Cost included in Statement of Profit & Loss	**37**	**64.37**
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	10.95	(11.74)
Remeasurements - Due to Experience Adjustments	36.26	(123.43)
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in Other Comprehensive Income	**47.21**	**(135.17)**
Total Defined Benefit Cost recognized in the Statement of Profit & Loss and Other Comprehensive Income	**180.68**	**(14.24)**

(iv) Net defined Benefit Liability/ (Asset) reconciliation (Gratuity)

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Net Defined Benefit Liability / (Asset) at the beginnissng	**170.38**	**241.25**
Defined Benefit Cost included in the Statement of Profit and loss	37	64.37
Total Remeasurements included in Other Comprehensive Income	41.58	(123.48)
Net Transfer In / (Out) (Including the effect of any business combination / divesture)		
Amount recognized due to Plan Combinations	-	-
Employer Contributions	(26.81)	(11.82)
Employer Direct Benefit Payments	(5.72)	-
Employer Direct Settlement Payments		
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at the end	**216.43**	**170.38**

Notes forming part of the consolidated financial statements

(v) **Amounts recognized in the Balance Sheet**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Gratuity	Gratuity
Defined Benefit Obligation	216.43	170.38
Fair Value of Plan Assets	-	-
Funded Status	**216.43**	**170.38**
Effect of Asset Ceiling/Onerous Liability	-	-
Net Defined Benefit Liability/(Asset)	**210.07**	**136.10**
Of which, Short term Liability	**87.76**	**16.03**

(vi) **Following are the Principal Acturial Assumptions used as at the Balance sheet date:**

(₹ in Lakhs)

Sr. No.	Particulars	FY 2016-17	FY 2015-16
a	Discount Rate	7.50%	8.00%
b	Salary Escalation Rate	8.00%	8.00%
c	Staff Turnover Rate	10% to 2% p.a. age related on graduated scale	10% to 2% p.a. age related on graduated scale
d	Mortality Table	Indian Assurance Lives mortality (2006-08) Ultimate	Indian Assurance Lives mortality (2006-08) Ultimate

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Experience adjustments

(₹ in Lakhs)

Experiences	2013	2014	2015	2016	2017
Defined Benefit Obligation at the end of the period	215.22	188.00	219.72	134.65	183.34
Plan Assets	N A	N A	N A	N A	N A
Surplus / (Deficit)	N A	N A	N A	N A	N A
Experience adjustments of Obligation [Gain/ (Loss)]	77.34	59.78	7.49	121.98	(67.97)
Experience adjustments on Plan Assets	N A	N A	N A	N A	N A

(vii) **Maturity Profile of Defined Benefit Obligation :**

(₹ in Lakhs)

Particulars	2017	2016
Year 1	87.76	88.02
Year 2	8.22	7.49
Year 3	12.6	15.99
Year 4	7.48	16.73
Total expected payments from year 5 to year 10	**112.35**	**233.91**

Notes forming part of the consolidated financial statements

3.7 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

(₹ in Lakhs)

Name of the Enterprise	AS at 31st March 2017							
	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehansive income		Share in total comprehansive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
Mercator Limited	77.00%	80,995.64	143.00%	(4,005.63)	-140.00%	(60.85)	139.00%	(3,944.78)
Subsidiaries								
Indian								
Mercator Oil & Gas Ltd.	0.00%	(337.68)	55.00%	(1,549.22)	40.00%	17.53	55.00%	(1,566.75)
Mercator Petroleum Ltd.	0.00%	(500.93)	7.00%	(192.23)	0.00%	-	7.00%	(192.23)
Mercator FPSO Pvt. Ltd.	0.00%	(5.29)	0.00%	(0.51)	0.00%	-	0.00%	(0.51)
Oorja Resources India Pvt. Ltd.	0.00%	0.39	1.00%	(18.37)	0.00%	-	1.00%	(18.37)
Foreign								
Mercator International Pte. Ltd.	-16.00%	(16,837.80)	133.00%	(3,728.83)	0.00%	-	131.00%	(3,728.83)
Offshore Holdings Pte. Ltd.	3.00%	3,376.86	-31.00%	872.74	0.00%	-	-31.00%	872.74
Oorja Holdings Pte. Ltd.	0.00%	(281.41)	-8.00%	216.60	0.00%	-	-8.00%	216.60
Oorja 1 Pte. Ltd.	-3.00%	(2,954.85)	3.00%	(89.76)	0.00%	-	3.00%	(89.76)
Oorja 2 Pte. Ltd.	-4.00%	(3,772.77)	-20.00%	572.92	0.00%	-	-20.00%	572.92
Oorja 3 Pte. Ltd.	-1.00%	(1,334.20)	1.00%	(31.66)	0.00%	-	1.00%	(31.66)
PT Oorja Indo Petangis Four	-2.00%	(1,667.98)	0.00%	(1.02)	0.00%	-	0.00%	(1.02)
PT Oorja Indo Petangis Three	-2.00%	(1,712.26)	27.00%	(742.77)	0.00%	-	26.00%	(742.77)
PT Oorja Indo KGS	0.00%	(308.21)	9.00%	(244.07)	0.00%	-	9.00%	(244.07)
MCS Holdings Pte. Ltd.	27.00%	28,079.57	57.00%	(1,599.07)	0.00%	-	56.00%	(1,599.07)
PT Mincon Indo Resources	-1.00%	(789.98)	0.00%	(0.21)	0.00%	-	0.00%	(0.21)
PT Karya Putra Borneo	0.00%	314.58	-55.00%	1,542.94	0.00%	-	-54.00%	1,542.94
PT Indo Perkasa	2.00%	2,582.63	-78.00%	2,184.30	0.00%	-	-77.00%	2,184.30
Oorja (Batua) Pte. Ltd.	-3.00%	(3,353.06)	49.00%	(1,373.56)	0.00%	-	48.00%	(1,373.56)
Bima Gema Permata PT	-1.00%	(1,066.34)	-1.00%	25.61	0.00%	-	-1.00%	25.61
Nuansa Sakti Kencana PT	0.00%	(425.24)	0.00%	1.40	0.00%	-	0.00%	1.40
Panther Resources Pte. Ltd	13.00%	13,211.00	-489.00%	13,669.42	0.00%	-	-482.00%	13,669.42
Mercator Offshore (P) Pte. Ltd.	16.00%	17,071.95	15.00%	(418.35)	0.00%	-	15.00%	(418.35)
Ivorene Oil Services Nigeria Ltd.	0.00%	-	3.00%	(75.69)	0.00%	-	3.00%	(75.69)
Mercator Energy Pte. Ltd.	-10.00%	(10,772.85)	89.00%	(2,501.07)	0.00%	-	88.00%	(2,501.07)
Mercator Offshore Assets Holding Pte. Ltd.	0.00%	(42.04)	0.00%	(5.23)	0.00%	-	0.00%	(5.23)
Mercator Projects Pte Ltd.	0.00%	(281.99)	5.00%	(135.05)	0.00%	-	5.00%	(135.05)
Mercator Okwok FPU Pte. Ltd.	0.00%	(50.90)	0.00%	(10.74)	0.00%	-	0.00%	(10.74)
Mercator Okoro FPU Pte. Ltd.	0.00%	55.85	0.00%	(4.01)	0.00%	-	0.00%	(4.01)
Fortune Offshore O&M Pte. Ltd.	0.00%	-	0.00%	12.53	0.00%	-	0.00%	12.53
Oorja Mozambique Limitada (Mozambique)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Broadtec Mozambique Minas Limitada (Mozambique)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Mercator Global Pte. Ltd. (Singapore)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Brio Resources Pte Ltd-Singapore.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Marvel Value International Limited (BV)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Minority interest of all subsidiaries	6.00%	5,792.77	-15.00%	423.44	0.00%	-	-15.00%	423.44

Notes forming part of the consolidated financial statements

3.8 Disclosure as per Ind As II "Construction Contracts"

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Contract revenue recognised during the year	2,594.83	25,182.47
Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	1,23,293.78	1,19,194.65
Advances received for contracts in progress	3,059.90	Nil
Retention money for contracts in progress	Nil	Nil
Gross amount due from customers for contract work (asset)	22,817.84	26,647.88
Gross amount due to customers for contract work (liability)	Nil	Nil

3.9 Disclosure as per Ind As II "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 four principal operating and reporting segments; viz. Shipping, Offshore, Coal mining, trading and logistic.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company 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 segment investments, tax related assets and other assets and liabilities that can not be allocated to a segment 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 Lakhs)

Segment Revenue	Shipping		Offshore		Coal Mining, Trading and Logistics		Others		Unallocated		Total	
	2016-17	2015-16	**2016-17**	2015-16	**2016-17**	2015-16	**2016-17**	2015-16	**2016-17**	2015-16	**2016-17**	2015-16
Revenue	63,749.62	78,752.29	30,418.60	38,299.70	114,775.66	128,440.93	2,594.83	25,182.49		-	211,538.72	270,675.41
Results												
Profit / (Loss) before tax and interest	5,660.97	(96,207.39)	1,147.90	10,091.03	6,835.52	1,463.29	14,709.22	955.01		-	28,353.61	(83,698.06)
Less :Interest											(22,436.08)	(24,471.33)
Less : Exceptional Item											(915.62)	-
Total Profit Before Tax											5,001.91	(108,169.39)
Provision for Taxation												
Current Tax											(2,002.59)	(248.73)
Deferred Tax											(117.65)	(771.36)
Net Profit											**2,881.67**	**(109,189.48)**
Other Information												
Assets	200,646.57	203,098.73	65,362.92	143,733.46	79,161.44	87,779.13	48,645.58	47,064.71			393,816.51	481,676.03
Liabilities	19,563.71	17,774.12	60,431.40	72,186.31	17,719.79	24,372.77	7,221.72	12,846.35	183,894.46	262,894.11	288,831.08	390,073.66
Capital Expenditure	6,591.27	31,247.97	2.42	0.52	8,500.71	3,920.84	692.00	16,711.62			15,786.40	51,880.95
Depreciation	17,984.78	28,223.37	9,403.05	14,303.73	4,456.12	194.09	18.87	24.50			31,862.82	42,745.69
Impairment	-	32,584.59	-	-	0.83	2,298.22	-	-			0.83	34,882.81

Notes forming part of the consolidated financial statements

3.10 Related Party Disclosures as per Accounting Standard 24 on "Related Party Disclosures"

(A) List of Related Parties

I Key Management Personnel

1 Mr. H.K Mittal- Executive Chairman

2 Mr. A.J. Agarwal- Managing Director (Upto 30.09.2016)

3 Mr. Shalabh Mittal -Chief Executive Officer (from 27.05.2016)

4 Ms. Shruit Mittal

5 Ms. Archana Mittal

6 Mr. Adip Mittal

7 Mr. K.S.Raheja

8 Mr. Kapil Garg (upto 14.11.2016)

9 Mr.Atul Malhotra (up to 28.12.2016)

10 Mr. Handoko Soeseno

11 Mr. Suresh Shanmugam

12 Mr. Jaysangker

13 Mr. Suhadi Zaini

14 Mr. Kishore Shah - Group Chief Financial Officer (Upto 12.11.2016)

15 Mr. Prasad Patwardhan- Chief Financial Officer

16 Mr. Deepesh Joishar -Company Secretary (Upto 28.02.2017)

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)- Chartiable 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 Oilmax Energy Private Limited

III Enterprises over which Directors/Relative of Directors/Key Management Personnel/Relative of Key Management Personnel exercise significant influence.

1 MLL Logistics Private Limited

IV Relative of Key Management Personnel

1 Mrs. Ritu Garg

Notes forming part of the consolidated financial statements

(B) Details of Transactions with above parties

(₹ in Lakhs)

Name of the Transaction	Subsidiary Companies		Enterprises over which Key Management Personnel exercise significant control		Enterprises over which Directors/Relative of Directors/Key Management Personnel/Relative of Key Management Personnel exercise significant influence.		Total	
	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr
Interest Income	-	-	-	-	126.47	461.70	126.47	461.70
Services Received	29.92	66.47	2,175.98	2,427.51	29.92	68.27	2,235.83	2,562.24
Reimbursments of Expenses Paid	-	-	14.26	11.27	-	-	14.26	11.27
Reimbursments of Expenses Received	-	-	0.56	1.51	-	-	0.56	1.51
Contribution made for Corporate social responsibility.			12.50	19.00			12.50	19.00
Finance Provided								
Inter Corporate Deposits repaid during the year	-	-	-	-	2,180.13	3,554.00	2,180.13	3,554.00
Advances								
Advances Given During the Year	-	-	-	-	-	-	-	-
Advances Received During the Year	-	642.92	-	-	-	-	-	642.92
Outstanding balances as on 31.03.2017								
Loans ,Advances and Receivables								
Capital Advances	-	-	2,758.98	3,929.96	-	-	2,758.98	3,929.96
Outstanding Balances of Trade receivables and								
Trade payables as on 31.03.2017							-	-
Trade & Other Receivables	-	-	-	70.74	-	2,714.25	-	2,784.99
Trade & Other Payables	-	-	202.02	6.48	-	-	202.02	6.48
Inter Corporate Deposit								
Balance as on 31.03.2017	-	-	-	-	-	2,180.13	-	2,180.13
Deposit								
Balance as on 31.03.2017	-	-	50.00	50.00	-	-	50.00	50.00

Notes forming part of the consolidated financial statements

(C) Partywise details of material transactions

(₹ in Lakhs)

Name of the Transaction	Subsidiary Companies		Enterprises over which Key Management Personnel exercise significant control		Enterprises over which Directors/Relative of Directors/Key Management Personnel/Relative of Key Management Personnel exercise significant influence.		Total	
	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr
Interest Income								
MLL Logistics Private Limited			-	-	126.47	461.70	126.47	461.70
Total			**-**	**-**	**126.47**	**461.70**	**126.47**	**461.70**
Services Received								
MLL Logistics Private Limited						1.80	-	1.80
Vaitarna Marine Infrastructure Limited			2,175.98	2,421.03	-	-	2,175.98	2,421.03
Ritu garg					29.92	66.47	29.92	66.47
Kapil garg	29.92	66.46679					29.92	66.47
Rishi Holding Private Limited			-	6.48			-	6.48
Total	**29.92**	**66.47**	**2,175.98**	**2,427.51**	**29.92**	**68.27**	**2,235.83**	**2,562.24**
Reimbursments of Expenses Paid							-	-
Ankur Fertilizers Private Limited			3.32	-			3.32	-
Oil Max Energy Private Limited			10.94	11.27			10.94	11.27
Total			**14.26**	**11.27**	**-**	**-**	**14.26**	**11.27**
Reimbursments of Expenses Received								
Vaitarna Marine Infrastructure Limited			0.56	1.51	-	-	0.56	1.51
Total			**0.56**	**1.51**	**-**	**-**	**0.56**	**1.51**
Contribution made for Corporate social responsibility.								
Prem Punita Foundation			12.50	19.00			12.50	19.00
Total	**-**	**-**	**12.50**	**19.00**	**-**	**-**	**12.50**	**19.00**
Finance Provided							-	-
Inter Corporate Deposits repaid during the year								
MLL Logistics Private Limited			-	-	2,180.13	3,554.00	2,180.13	3,554.00
Total			**-**	**-**	**2,180.13**	**3,554.00**	**2,180.13**	**3,554.00**
Advances Received During the Year								
Mr. Handoko Soeseno		642.92			-	-	-	642.92
Total	**-**	**642.92**	**-**	**-**	**-**	**-**	**-**	**642.92**
Capital Advances								
Vaitarna Marine Infrastructure Limited			2,758.98	3,929.96	-		2,758.98	3,929.96
Total			**2,758.98**	**3,929.96**	**-**	**-**	**2,758.98**	**3,929.96**

Notes forming part of the consolidated financial statements

(₹ in Lakhs)

Name of the Transaction	Subsidiary Companies		Enterprises over which Key Management Personnel exercise significant control		Enterprises over which Directors/Relative of Directors/Key Management Personnel/Relative of Key Management Personnel exercise significant influence.		Total	
	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr	Current Yr	Previous Yr
Outstanding Balances of Trade and Other Receivables & Payables as on 31.03.2017								
Trade and Other Receivables							-	-
MLL Logistics Private Limited			-	-	-	2,714.25	-	2,714.25
Vaitarna Marine Infrastructure Limited				70.74			-	70.74
Total			**-**	**70.74**	**-**	**2,714.25**	**-**	**2,784.99**
Trade and Other Payables								
Oil Max Energy Private Limited			11.43	-			11.43	-
Vaitarna Marine Infrastructure Limited			190.58	-	-	-	190.58	-
Rishi Holding Private Limited			-	6.48	-	-	-	6.48
Total			**202.02**	**6.48**	**-**	**-**	**202.02**	**6.48**
Inter Corporate Deposit								
Balance as on 31.03.2017								
MLL Logistics Private Limited			-	-	-	2,180.13	-	2,180.13
Total			**-**	**-**	**-**	**2,180.13**	**-**	**2,180.13**
Deposit								
Balance as on 31.03.2017								
Oil Max Energy Private Limited			50.00	50.00			50.00	50.00
Total			**50.00**	**50.00**	**-**	**-**	**50.00**	**50.00**

(D) Compensation of key management personnel of the company*

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Short-term employee benefits	1,235.71	1,566.89
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total compensation paid to key management personnel	**1,235.71**	**1,566.89**

*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 recognized as per Ind AS 19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

(E) Sitting Fees Paid to Non-Executive Directors

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Director sitting Fees	24.45	28.50

Notes forming part of the consolidated financial statements

3.11 Disclosure as per Ind AS 17 "Leases":

(A) Disclosure in respect of Operating Leases (as Lessee):

(₹ in Lakhs)

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a)	Operating Leases		
	Disclosures in respect of cancellable agreements for office premises taken on lease		
	(i) Lease payments recognized in the Statement of Profit and Loss	346.50	622.08
	(ii) Significant leasing arrangements		
	The Company has given refundable interest free security deposits under the agreements.		
	The lease agreements are upto 4 to 63 months.		
	These agreements also provide for periodical increase in rent.		
	These agreements are non cancellable by both the parties for 12–24 months except in certain exceptional circumstances.		
	(iii) Future minimum lease receivable under non-cancellable agreements		
	Not later than one year	27.83	263.63
	Later than one year and not later than five years	13.92	131.81
	Later than five years	Nil	Nil

(B) In respect of Operating Leases (as Lessor):

(₹ in Lakhs)

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a)	Operating Leases		
	Disclosures in respect of cancellable agreements for office premises given on lease		
	(i) Lease payments recognized in the Statement of Profit and Loss	60.00	16.76
	(ii) Future minimum lease receivable under non-cancellable agreements		
	- Not later than one year	60.00	60.00
	- Later than one year and not later than five years	60.00	120.00
	- Later than five years	NIL	NIL

General Description of leasing arrangement

(i) Leased Assets: Premises, Godown

(ii) Future lease rentals are determinedon the basis of agreed terms.

3.12 Disclosure as per Ind AS 33 "Earning Per Share"

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Total Comprehensive Income attributable to owners of the Company		
- Basic and Diluted	2,413.90	(88,097.63)
Number of Shares used in computing Earning Per Share		
- Basic and Diluted	249,549,607	244,892,073
Earning per share (equity shares of face value Re 1/-)		
- Basic and Diluted (in ₹)	0.97	(35.97)

Notes forming part of the consolidated financial statements

3.13 Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Details relating to Micro, Small and Medium enterprises a) Amount remaining unpaid to any supplier at the end of the year: - Principal - Interest	-	-
b) The amount of interest paid by the buyer as per Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
Note: (The above information is given on the basis of intimation received by the Company.)		

The Company has not received any intimation from its vendors regarding the status under the Micro, Small and Medium Enterprise Development Act, 2006. The above information is based on the information compiled by the company and relied upon by the auditors.

3.14 Tonnage Tax Reserve

In terms of section 115VT of the Income Tax Act, 1961, the Holding Company is required to transfer amounts out of its profit to Tonnage Tax Reserve. During the year, the Holding Company has transferred ₹ NIL Lakhs (P.Y. ₹ 357.40 Lakhs) to Tonnage Tax Reserve.

3.15 Corporate Social Responsibility (CSR)

CSR amount required to be spent by the Companies within the Group as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof during the year is ₹ 60.44 lakhs .

Amount spent during the year on following:

(₹ in Lakhs)

Sr. No.	Particulars	In Cash/Cheque	Yet to be Paid in cash/Cheque	Total
i)	Construction/acquisition of any asset	-	-	-
ii)	On purpose other than (i) above, viz; for the purpose of social and educational development	12.50	-	12.50

Notes forming part of the consolidated financial statements

3.16 Income Tax expense

A. Tax Expenses recognized in the statement of Profit & Loss

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Current tax		
Current tax on taxable income for the year	2,011.31	282.18
Excess/(Short) provision for tax of earlier years	(8.72)	(33.45)
Total Current tax expense (A)	2,002.59	248.73
Deferred tax		
Deferred tax charge/(credit)	117.65	771.36
Total deferred income tax expense (B)	117.65	771.36
Total income tax expense (C)	**2,120.24**	**1,020.09**
Effective Tax Rate	**42.39%**	**(0.94%)**

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 Lakhs)

Particulars	Deferred tax (asset) / liability as at March 31, 2016	Charge / (credit) for the current year	Deferred tax (asset) / liability as at March 31, 2017
Deferred tax assets			
Depreciation	(24.69)	(4.62)	(29.31)
Employee Benefits	(38.16)	(24.67)	(62.83)
Deferred tax liabilities			
Items disallowed u/s. Sec 43B	(1.99)	1.99	-
Long Term Provisions and Short Term		1.95	1.95
Foreign source Income yet to be remitted	385.88	98.03	483.91
Net deferred tax liability/ (asset)	**321.02**	**72.68**	**393.72**

ii) Deferred tax liability (net) included in the balance sheet comprises of the following:

(₹ in Lakhs)

Particulars	As at April 1, 2015	Credit/ (charge) in Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive income	As at March 31, 2016	Credit/ (charge) in Statement of Profit and Loss	Credit / (charge) in Other Comprehensive income	As at March 31, 2017
Deferred tax (assets)/ liabilities	-						
Unabsorbed Depreciation	(329.78)	305.07	-	(24.71)	(4.62)	-	(29.31)
Provision for post retirement benefits	(63.67)	24.69	(1.17)	(40.15)	(23.21)	2.48	(60.88)
Fiscal loss	(19.35)	19.35	-	-			
Foreign source Income yet to be remitted / others	-	422.25	(36.35)	385.90	145.48	(47.45)	483.91
Total	**(412.80)**	**771.36**	**(37.52)**	**321.04**	**117.65**	**(44.97)**	**393.72**

Notes forming part of the consolidated financial statements

3.17 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 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 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.

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.

Exposure to Interest rate risk

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total Borrowings	141,612.69	213,934.57	315,185.54
% of Borrowings out of above bearing variable rate of Interest	85%	89%	93%

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 whole 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 Group's loss for the year ended March 31, 2017 would increase/decrease by ₹ 599.69 lakhs (previous year ₹ 950.75 lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

ii) Maritime risk

The operations of the Group may be exposed to piracy, war, sabotage and terrorism risk at sea which could potentially disrupt the operations of the Group. Also, the Group's vessels are susceptible to arrests by maritime claimants which could result in significant loss for the Group. In times of emergency or wars, the Government could demand the Group's vessels without adequate compensation.

iii) Business Risk

i) Risk relating to Exploration, Development and production.
A Subsidiary 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:
Currently, operations are underway to accomplish drilling and testing campaign in one of our Oil Blocks. With an increase in Oil Price, there are possibilities of non-availability of Drilling Rigs and associated services. Also pricing

Notes forming part of the consolidated financial statements

for such services may increase since many drilling companies' Oil Rigs are currently in a cold stack condition. However, this Risk is contained owing to the fact that subsidiary has entered into Long Terms contracts with its vendors to ensure availability of services till the drilling campaign is accomplished.

ii) Risk relating to Construction Contract
Currently we are operating One project and envisaging similar opportunities in near future.

Project Specific Risk

- The project is at its tail end of completion and we envisage no major risk in increase of quantities/prices of Raw Materials or Services as the same are reviewed on a continuous basis. There may be a risk of minuscule increase in cost of towing and commissioning against the budget depending on weather conditions. However, these costs may be extremely insignificant to the project risk.

iv) Price risk

The Group is engaged in the business of commodity transportation of crude oil, petroleum products, coal, iron-ore etc which involves a high level of dependence on the production of oil and gas. Thus, demand in these sectors will have a direct impact on the business of the Company. A decline in the demand for oil, coal or iron etc will adversely affect the business of the company. Thus, often, the factors affecting the supply and demand for the vessel are beyond the control of the Company as the nature, timing and degree of changes in the industry conditions cannot be foreseen and are unpredictable.

Other price risk:
The Group is not exposed to any significant equity price risks arising from equity investments, as on March 31, 2017. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade in these investments.

Equity price sensitivity analysis:
There is no exposure to equity price risks as at the reporting date or as at the previous reporting date.

v) 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.

The carrying amounts of the Group's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follows:

(₹ in Lakhs)

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
Financial Assets	USD	SGD	Others	USD	SGD	Others	USD	SGD	Others
Trade Receivables	527.2	-	-	1,858.22	-	-	1,251.71	-	-
Cash and Cash equivalents	54.74	-	-	34.54	-	-	2,174.39	-	-
Other Financial Assets	22,887.35	-	-	14,616.31	-	-	5,874.80	-	-
Net Exposure for Assets	**23,469.29**	**-**	**-**	**16,509.07**	**-**	**-**	**9,300.90**	**-**	**-**
Financial Liabilities									
Borrowings	91,624.34	-	-	79,840.61	-	-	68,586.99	-	-
Other Financial Liabilities	2,653.13	14.52	246.09	4,521.54	92.47	133.53	4,641.92	62.18	33.57
Net Exposure for Liabilities	**94,277.47**	**14.52**	**246.09**	**84,362.15**	**92.47**	**133.53**	**73,228.91**	**62.18**	**33.57**
Net exposure (Assets-Liabilities)	(70,808.18)	(14.52)	(246.09)	(67,853.08)	(92.47)	(133.53)	(63,928.01)	(62.18)	(33.57)

Notes forming part of the consolidated financial statements

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies of all the companies in the Group.

5% is the sensitivity rate used when reporting foreign currency risk and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the respective functional currency strengthens by 5% against the relevant foreign currency. For a 5% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

(₹ in Lakhs)

Effect in INR	March 31, 2017	March 31, 2016	1-Apr-15
USD impact	(3,540.41)	(3,392.65)	(3,196.40)

Derivative Instruments

i. The Group follows hedge accounting principles for accounting of certain forward exchange contracts to hedge the exchange risk pertaining to highly forecasted transaction. Accordingly mark to market losses of ₹ 10.76 lakhs (PY ₹ 134.06 lakhs) has been carried over to cash flow hedge reserves as of March 31, 2017 for currency swap hedging

ii. Details of outstanding Hedging Contracts

(₹ in Lakhs)

Derivative contracts	March 31, 2017		March 31, 2016		April 1, 2015	
	Amount in foreign currency	Equivalent Indian rupees	Amount in foreign currency	Equivalent Indian rupees	Amount in foreign currency	Equivalent Indian rupees
USD/INR	NIL	NIL	23.69	1200.00	31.59	1600.00
USD/INR	NIL	NIL	13.29	600.00	17.71	800.00
USD/INR	NIL	NIL	13.32	600.00	17.75	800.00

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 Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Less than 180 days	23,460.35	17,761.08	21,081.85
More than 180 days	15,565.92	40,109.02	60,426.71

Financial assets are considered to be of good quality and there is no significant increase in credit risk

Notes forming part of the consolidated financial statements

c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

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

Maturity Analysis of Significant Financial Liabilities

(₹ in Lakhs)

As at March 31, 2017	Contractual Cash Flows				
	Total	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Financial Instruments					
Borrowings	166,380.50	49,599.94	77,026.52	33,505.22	6,248.82
Trade Payables	19,240.16	19,240.16	-	-	-
Liability towards cash flow hedge	549.37	549.37	-	-	-
Other financial liabilities	73,262.68	69,017.20	4,245.48	-	

(₹ in Lakhs)

As at March 31, 2016	Contractual Cash Flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Financial Instruments					
Borrowings	235,190.44	82,888.52	86,570.77	54,454.56	11,276.59
Trade Payables	82,182.86	82,182.86	-	-	-
Liability towards cash flow hedge	1,018.88	509.44	509.44		
Other financial liabilities	32,211.49	27,377.72	4,833.77		

(₹ in Lakhs)

As at April 1, 2015	Contractual Cash Flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Financial Instruments					
Borrowings	332,216.87	159,199.86	83,798.05	66,019.31	23,199.65
Trade Payables	119,405.86	119,405.86	-	-	-
Liability towards cash flow hedge	1,153.00	288.25	864.75	-	-
Other financial liabilities	30,089.01	16,201.04	13,887.97	-	-

3.18 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.

As at March 31, 2017, the Group has only one class of equity shares and has debt, consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution of dividend or re-investment into business based on its long term financial plan

Notes forming part of the consolidated financial statements

The debt equity for the year is as under:

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings	183,894.45	263,182.15	385,166.80
Total Equity	104,985.43	91,602.37	226,234.24
Debt Equity Ratio	1.75	2.87	1.70

3.19 Fair value measurements

Financial Instrument by category

(₹ in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets:						
At amortised cost						
Cash and cash equivalents	9,417.58	9,417.58	8,488.50	8,488.50	25,306.53	25,306.53
Bank balances other than Cash and cash equivalents	3,523.30	3,523.30	1,055.89	1,055.89	2,133.96	2,133.96
Loans	1,899.36	1,899.36	1,346.87	1,346.87	4,323.56	4,323.56
Trade receivbles	39,026.26	39,026.26	57,870.10	57,870.10	81,508.56	81,508.56
Other Financial assets	7,232.76	7,232.76	9,668.36	9,668.36	21,930.09	21,930.09
At fair value through profit and loss						
Investment in Mining Rights	18,586.25	18,586.25	-	-	-	-
Investment in Mutual Fund	-	-	-	-	392.93	392.93
Investment in Equity Shares-Others	0.12	0.12	71.08	71.08	143.56	143.56
Total	**79,685.63**	**79,685.63**	**78,500.80**	**78,500.80**	**135,739.19**	**135,739.19**

(₹ in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities:						
At amortised cost						
Borrowings	183,894.45	183,894.45	263,182.15	263,182.15	249,251.38	249,251.38
Other financial liabilities	73,262.68	73,262.68	32,211.49	32,211.49	30,089.01	30,089.01
Trade and other payables	19,240.16	19,240.16	82,182.86	82,182.86	119,405.86	119,405.86
At fair value through profit and loss						
Derivatives	549.37	549.37	1,018.88	1,018.88	1,153.00	1,153.00
Total	**276,946.66**	**276,946.66**	**378,595.38**	**378,595.38**	**399,899.25**	**399,899.25**

Fair value measurements recognised in the statement of financial position:

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Notes forming part of the consolidated financial statements

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At April 1, 2015	Level 1	Level 2	Level 3	Total
Finance liabilities at fair value through profit or loss				
Investments in mutual funds - Level 1	73.80	-	-	73.80
Derivative financial liabilities - Level 2	-	1,153.00	-	1,153.00
Total	**73.80**	**1,153.00**	**-**	**1,226.80**

At March 31, 2016	Level 1	Level 2	Level 3	Total
Finance liabilities at fair value through profit or loss				
Investments in mutual funds - Level 1	59.68	-	-	59.68
Derivative financial liabilities - Level 2	-	1,018.88	-	1,018.88
Total	**59.68**	**1,018.88**	**-**	**1,078.56**

At March 31, 2017	Level 1	Level 2	Level 3	Total
Finance liabilities at fair value through profit or loss				
Derivative financial liabilities - Level 2	-	549.37	-	549.37
Total	-	549.37	-	549.37

All other financial instruments are classified as level 3.

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.

3.20 Disclosure in respect of specified bank notes held and transacted:

(₹ in Lakhs)

Particulars	Specified Bank Notes (SBNs)	Other denomination notes & coins	Total
Closing cash in hand as on 08.11.2016	2.14	4.00	6.13
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	(2.14)	-	(2.14)
Closing cash in hand as on 30.12.2016	-	-	-

Notes forming part of the consolidated financial statements

Specified Bank Notes is defined notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016." as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees. The disclosures with respects to 'Permitted Receipts', 'Permitted Payments', 'Amount Deposited in Banks' and 'Closing Cash in Hand as on 30.12.2016' is understood to be applicable in case of SBNs only.

3.21 FIRST-TIME ADOPTION OF INDIAN ACCOUNTING STNDARD ("Ind AS")

These are the Group's first Consolidated financial statements prepared in accordance with Ind –AS. The Group has adopted Indian Accounting standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April 2016, with a transition date of April 1, 2015. Ind AS 101- First-time Adoption of India Accounting Standards required that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2017 for the Group, be applied retrospectively and consistently for all financial years presented.

Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101

1. Reconciliation of Consolidated Balance sheet as at April 1, 2015 (Transition Date)
2. Reconciliation of Consolidated Balance sheet as at March 31, 2016
3. Reconciliation of Consolidated Statement of Profit and Loss for the year ended March 31, 2016
4. Reconciliation of Equity as at April 1, 2015 and as at March 31, 2016
5. Reconciliation of Net Profit for the year ended March 31, 2016

The presentation requirements under Previous GAAP differ from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived from the Financial Statements of the Group prepared in accordance with Previous GAAP

Explanation to transition to Ind AS

Optional exemptions

- **Deemed Cost**

  IND-AS 101 permits a first – time adopter to elect to continue with the carrying value for all of its property, plant and equipment and Investment Property as recognized in the financial statements as at the date of transition to IND-AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

- **Component Accounting**

  The company has elected to to account drydock expenditure as a component of Fleet with useful life different than Fleet. The same was earlier expensed out in the Statement of Profit and Loss.

- **De-recognition of financial assets and liabilities**

  IND-AS 101 requires a first – time adopter to apply the de-recognition provisions of IND-AS 109 prospectively for transactions occurring on or after the date of transition to IND-AS. However, IND-AS 101 allows a first – time adopter to apply the de – recognition requirements in IND-AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply IND-AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

  The Group has elected to apply the de-recognition provisions of IND-AS 109 prospectively from the date of transition to IND-AS.

- **Foreign Currency Monetary Items**

  In terms of para D13AA of Ind-AS 101,the company may continue to account for foreign exchange differences relating to long-term foreign currency monetary items as per previous IGAAP. The company has elected to apply the same.

Mandatory exceptions

- **Estimates**

  An entity's estimates in accordance with IND-ASs at the date of transition to IND-AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Notes forming part of the consolidated financial statements

IND-AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for impairment of financial assets based on expected credit loss model in accordance with IND-AS at the date of transition as it was not required under previous GAAP.

- **Classification and measurement of financial assets**

  IND-AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to IND-AS.

- **Non controlling Interest**

  Ind As 110 requires entities to attribute Profit or Loss and each component of Other Comprehensive Income to the owners of the parent and to the non controlling interest. This requirement needs to be followed even if this results in the Non controlling interest having a deficit balance. Ind AS 101 required the above requirement to be followed prospectively from the date of transition. Consequently, the Group has applied the above requirement prospectively.

Notes forming part of the consolidated financial statements

3.21.1 Reconciliation of Balance sheet as at April 1, 2015

(₹ in Lakhs)

Particulars	Note No.	As at April 1, 2015 As per IGAAP	Ind As Adjustment	As at April 1, 2015 As per Ind As
A. ASSETS				
1 Non- current assets				
(a) Property, plant and equipment	A	498,160.11		498,160.11
(b) Capital work in progress		62,033.71		62,033.71
(c) Investment property		163.65		163.65
(d) Other Intangible assets		40.08		40.08
(e) Financial assets				
(i) Investment		137.60		137.60
(ii) Loans		4,279.99		4,279.99
(iii) Others Financial Assets	C	8,978.61	(401.98)	8,576.63
(f) Deferred tax assets (net)		412.80		412.80
(g) Other non-current assets		24,558.89		24,558.89
TOTAL NON-CURRENT ASSETS		**598,764.85**	**(401.98)**	**598,362.87**
2 Current assets				
(a) Inventories		3,413.67		3,413.67
(b) Financial assets				
(i) Investments		398.88		398.88
(ii) Trade receivables		81,508.56		81,508.56
(iii) Cash and cash equivalent		24,678.97	627.56	25,306.53
(iv) Bank balances other than iii) above		2,761.52	(627.56)	2,133.96
(v) Loans	C	43.57		43.57
(vi) Other Financial Assets		14,008.62	(655.16)	13,353.46
(c) Other Current Assets		40,240.14		40,240.14
TOTAL CURRENT ASSETS		**167,053.93**	**(655.16)**	**166,398.77**
TOTAL ASSETS		**765,818.78**	**(1,057.14)**	**764,761.64**
B. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital		2,448.92		2,448.92
(b) Other Equity	D	195,442.81	2,974.49	198,417.30
Non Controlling Interest		25,368.02		25,368.02
		223,259.75	**2,974.49**	**226,234.24**
2 Non - current liabilities				
(a) Financial Liabilities				
(i) Borrowings	C	250,667.19	(3,439.36)	247,227.83
(ii) Other financial Liablities		14,752.72		14,752.72
(b) Provisions		533.97		533.97
TOTAL NON-CURRENT LIABILITIES		**265,953.88**	**(3,439.36)**	**262,514.52**
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		69,981.26		69,981.26
(ii) Trade payables		119,405.86		119,405.86
(iii) Other financial Liablities		84,447.00		84,447.00
(b) Provisions	E, F	1,850.39	(592.27)	1,258.12
(c) Other current liabilities		920.64		920.64
TOTAL CURRENT LIABILITIES		**276,605.15**	**(592.27)**	**276,012.88**
TOTAL LIABILITIES		**542,559.03**	**(4,031.63)**	**538,527.40**
TOTAL EQUITY AND LIABILITIES		**765,818.78**	**(1,057.14)**	**764,761.64**
Notes forming of the financial statements	A - F			

Notes forming part of the consolidated financial statements

3.21.2 Reconciliation of Balance sheet as at March 31, 2016

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2016 As per IGAAP	Ind As Adjustment	As at March 31, 2016 As per Ind As
A. ASSETS				
1 Non- current assets				
(a) Property, plant and equipment	A	265,199.90	623.33	265,823.23
(b) Capital work in progress		68,780.01		68,780.01
(c) Investment property		141.69	1.27	142.96
(d) Other Intangible assets		32.36		32.36
(e) Financial assets				
(i) Investment		71.08		71.08
(ii) Loans		1,302.06	0.02	1,302.08
(iii) Others Financial Assets	C	609.29		609.29
(f) Deferred tax assets (net)		(321.04)		(321.04)
(g) Other non-current assets		28,282.53	(487.36)	27,795.17
TOTAL NON-CURRENT ASSETS		**364,097.88**	**137.26**	**364,235.14**
2 Current assets				
(a) Inventories		1,921.41		1,921.41
(b) Financial assets				
(i) Investments		-		-
(ii) Trade receivables		57,870.10		57,870.10
(iii) Cash and cash equivalent		8,488.50		8,488.50
(iv) Bank balances other than iii) above		1,055.89		1,055.89
(v) Loans	C	44.79		44.79
(vi) Other Financial Assets		9,330.98	(271.91)	9,059.07
(c) Other Current Assets		39,001.13		39,001.13
TOTAL CURRENT ASSETS		**117,712.80**	**(271.91)**	**117,440.89**
TOTAL ASSETS		**481,810.68**	**(134.65)**	**481,676.03**
B. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital		2,448.92		2,448.92
(b) Other Equity	D	82,698.06	3,503.82	86,201.88
Non Controlling Interest		2,951.57		2,951.57
		88,098.55	**3,503.82**	**91,602.37**
2 Non - current liabilities				
(a) Financial Liabilities				
(i) Borrowings	C	160,913.36	(3,343.73)	157,569.63
(ii) Other financial Liablities		5,343.21		5,343.21
(b) Provisions		398.50		398.50
TOTAL NON-CURRENT LIABILITIES		**166,655.07**	**(3,343.73)**	**163,311.34**
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		49,247.58		49,247.58
(ii) Trade payables		82,182.86		82,182.86
(iii) Other financial Liablities		84,252.10		84,252.10
(b) Provisions	E, F	679.69	(294.74)	384.95
(c) Other current liabilities		10,694.83		10,694.83
TOTAL CURRENT LIABILITIES		**227,057.06**	**(294.74)**	**226,762.32**
TOTAL LIABILITIES		**393,712.13**	**(3,638.47)**	**390,073.66**
TOTAL EQUITY AND LIABILITIES		**481,810.68**	**(134.65)**	**481,676.03**
Notes forming of the financial statements	A - F			

Notes forming part of the consolidated financial statements

3.21.3 Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

(₹ in Lakhs)

	Particulars	Note	Year Ended March 31, 2016 As per IGAAP	Ind AS Adjustments	Year Ended March 31, 2016 As per Ind AS
	INCOME				
	a) Revenue from operations		270,675.41		270,675.41
	b) Other income		1,885.72		1,885.72
1	**Total Income**		**272,561.13**		**272,561.13**
	EXPENSES:				
	a) Operating expenses	A	203,526.47	1,901.82	205,428.29
	b) Employee benefit expenses		6,555.24		6,555.24
	c) Finance cost	C	28,465.84	(1,123.38)	27,342.46
	d) Depreciation and amortisation expenses	A	43,250.61	(504.92)	42,745.69
	e) Impairment of assets		34,882.81		34,882.81
	f) Other expenses		63,134.23	641.80	63,776.03
2	**Total Expenses**		**379,815.20**	**915.32**	**380,730.52**
3	**Profit/(loss) before share of (profit)/loss of an associate and a joint venture, exceptional items and tax from continuing operations**		**(107,254.07)**	**(915.32)**	**(108,169.39)**
4	**Less: Exceptional items (Refer Note 3.7)**				**-**
5	**Profit/(Loss) before taxes (5 - 6)**		**(107,254.07)**	**(915.32)**	**(108,169.39)**
6	**Tax expense:**				
	(a) Current tax		(282.18)		(282.18)
	(b) Short provision of tax for earlier years		33.45		33.45
	(c) Deferred Tax		(771.36)		(771.36)
7	**Profit for the year from continuing operations (5-6)**		**(108,274.16)**	**(915.32)**	**(109,189.48)**
	Other Comprehensive Income				
	Items that will not be reclassified toprofit or loss				
	Remeasurements of post employement benefit obligations	E	131.13		131.13
8	**Profit for the year from continuing operations**		**(108,143.03)**	**(915.32)**	**(109,058.35)**
9	Less: share of profit / (loss) transferred to Minority Interest		**20,960.72**		**20,960.72**
10	Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**(87,182.31)**	**(915.32)**	**(88,097.63)**
11	**Earnings per equity share of Re. 1/- Each (for continuing operation)**				
	Basic (In Rupees)		(35.60)		(35.97)
	Diluted (In Rupees)		(35.60)		(35.97)
	Significant Accounting Policies				
	Notes forming part of the financial statements	A-F			

Notes forming part of the consolidated financial statements

3.21.4 Reconciliation of Equity as at April 1, 2015 and as at March 31, 2016

(₹ in Lakhs)

Particulars	Note	As at March 31, 2016	As at 31st March 2015
Total Shareholders Fund as per previous GAAP (Indian GAAP)		**85,147.66**	**197,891.72**
Impact of Loan Reinstatement	C	2,679.50	2,382.23
Impact of Exchange Fluctuation	C	255.38	-
Impact of Dividend	F	294.75	592.27
Effect of Dry Dock Expenses as per IND-AS 16-Property Plant & Equipment	A	1,396.90	-
Effect of Interest as per IND-AS 109-Financial Instruments	C	(1,123.39)	-
Total Adjustments		3,503.14	2,974.50
Total Shareholders Fund as per previous IND-AS		**88,650.80**	**200,866.22**

3.21.5 Reconciliation of Income Statement at March 31, 2016

(₹ in Lakhs)

Particulars	Note	Year Ended March 31, 2016
Net Profit after tax as per previous GAAP		**(89012.65)**
Effect of Dry Dock expenses as per IND-AS 16 - Property Plant and Equipment	A	1396.90
Effect of Interest as per IND-AS 109 - Financial Instruments	C	(1123.38)
Effect of Foreign Exchange as per IND-AS 21 - Effect of Changes in Foreign Exchange	C	641.50
Reclassification of net actuarial gain/loss on employee defined benefit obligations	E	(131.12)
Net Profit after tax as per IND-AS		**(88228.75)**
Other Comprehensive income	E	(131.12)
Total Comprehensive income after tax as per IND-AS		**(88097.63)**

Note A: Dry-docking costs

These were debited to the statement of profit and loss under the previous GAAP. Under IND-AS, the Company has deferred these costs over 30 months.

Note B: Foreign currency convertible bonds split into equity and debt components

Under previous GAAP, foreign currency convertible bonds amounting to USD 16 million were treated as borrowings. IND-AS 32 requires such compound instruments to be split into debt and equity components.

As at April 1, 2015, the debt component of the converible bonds was USD 12.34 million while the equity component was USD 3.67 million.

Note C: Borrowings

IND-AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss over the tenure of the borrowing on a straight line basis. Also, under previous GAAP, the unamortised transaction costs were grouped under Current/Non-Current Assets depending on the amortisation period. Consequent to transition to IND-AS, unamortised transaction costs now appear as a reduction from Borrowings.

Notes forming part of the consolidated financial statements

Note D: Retained Earnings.

Retained earnings has been adjusted consequent to the IND-AS transition adjustments.

Note E: Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard equires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note F: Provision for Dividend & Dividend Distribution tax

Under Ind AS no provision for Dividend and Dividend distribution tax needs to be done.

3.22 PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration Number 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board

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

M. M. Agrawal
Director
(DIN:00681433)

Kiran Vaidya
Officiating Chief Financial Officer

Suhas Pawar
Company Secretary
Membership No. A36560

Our Asset Portfolio

COAL

Serial No.	Coal Mines	Country	Ownership (%)
1	Petangis, East alimanthan (Two Mines)	Indonesia	100
2	Batuah, East Kalimanthan	Indonesia	50
3	Tete Province	Mozambique	85

OIL & GAS - EXPLORATION & PRODUCTION

Serial No.	Blocks	Types	Location	Participation Interest (%)
1	CB-9	Onshore	Camay Basin	100
2	CB-3	Onshore	Camay Basin	100
3	M-4 *	Offshore	Myanmar	25
4	YEB	Offshore	Myanmar	25

* Applied for relinquishment

TANKERS

Serial No.	Name of Vessel	Vessel Type	DWT	Ownership
1	Kamakshi Prem	VLCC	299235	Owned
2	Prem Pride	Aframax	109610	Owned
3	Hansa Prem	MR	36032	Owned
4	Prem Mala	MR	47044	Owned
5	Harsha Prem	MR	42235	Owned
6	Vedika Prem	MR	42235	Owned

DRY BULK CARRIERS

Serial No.	Name of Vessel	Vessel Type	DWT	Ownership
1	Sri Prem Poorva	Panamax	69286	Owned
2	Vrinda	Panamax	69221	Owned

GAS CARRIERS

Serial No.	Name of Vessel	Vessel Type	DWT	Ownership
1	Sisouli Prem	VLGC	50400	Owned

TANKERS

Serial No.	Name of Vessel	Vessel Type	DWT	Ownership
1	Bhagvati Prem	TSHD	7598	Owned
2	Darshani Prem	TSHD	7450	Owned
3	Tridevi Prem	TSHD	5433	Owned
4	Omkara Prem	TSHD	4500	Owned
5	Uma Prem	TSHD	2600	Owned
6	Vivek Prem	GD Hopper, Self-propelled	850	Owned
7	Veera Prem	TSHD	11300	Owned
8	Vakul Prem	Bucker Ladder	583	Owned
9	Yukti Prem	TSHD	N.A.	Owned

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