www.mercator.co.in

October 10, 2022

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
2nd Floor, Dalal Street,
Mumbai – 400 001
Scrip Code: 526235

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
SYMBOL- MERCATOR

Dear Sir(s),

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

With reference to the above captioned subject and pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year ended 2021-22.

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

Kindly take the same on record and acknowledge the same.

Thanking You.

Yours faithfully,
For **Mercator Limited**

MANGESH
MUKUND DEOKAR
BHOSALE

Digitally signed by MANGESH MUKUND DEOKAR BHOSALE
DN: c=IN, o=Personal,
2.5.4.20=e5508885e05af12be2cad81ca7b36de3210cc65aab14a0baf02ed5c95d11c1b8, postalCode=400089,
st=Maharashtra,
serialNumber=abcfe1d0dbec4d26c6b868cc932e85e60fbbc2bca7628a30cd4de2a3b0591496, cn=MANGESH MUKUND DEOKAR BHOSALE
Date: 2022.10.10 13:40:08 +05'30'

Mangesh Mukund Deokar Bhosale
Chief Financial Officer & Compliance Officer

Encl: A/a

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

MERCATOR LIMITED
(CIN : L63090MH1983PLC031418)
83-87, 8th Floor, Mittal Tower - B, Nariman Point, Mumbai - 400021, India. Tel: +91 22 66373333 Fax: +91 22 66374444 secretarial@mercator.co.in

MERCATOR LIMITED

38TH ANNUAL REPORT

2021-22

Read Inside

Corporate Overview 1

2 Statutory Reports

Financial Statements 3

FORWARD–LOOKING STATEMENT

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

Corporate Information

RESOLUTION PROFESSIONAL

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

Board of Directors

Mr. H. K. Mittal
Mr. Jagmohan Talan (Independent Director)
Mr. Sukhdarshan Singh Bedi
(resigned w.e.f. August 12, 2021)
Mrs. Ritu Vats (Independent Director)

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

Statutory Auditors

M/s. Singhi & Co.
Chartered Accountants

Chief Executive Officer

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

Secretarial Auditors

M/s. Dhruti Satia & Co.
Practicing Company Secretaries

Chief Financial Officer & Compliance Officer

Mr. Mangesh Mukund Deokar Bhosale
(appointed w.e.f. March 01, 2022)

Mr. Rajendra Kothari (resigned w.e.f. February 28, 2022)

Bankers

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

Registered Office Of The Company

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

Registrar & Share Transfer Agent

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

Notice

NOTICE is hereby given that the Thirty Eighth (38th) Annual General Meeting ("AGM") of the members of Mercator Limited will be held on Tuesday, November 01, 2022 at 11:30 A.M. IST through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), to transact the following business. The deemed venue of the meeting shall be the registered office of the Company situated at 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai - 400021.

Background:

The members are hereby intimated that in accordance with an application made by ICICI Bank, Financial Creditor of the Company, the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated February 08, 2021 in Company Petition No. (IB) 4404/MB/2019 ("Insolvency Commencement Order") in the matter of ICICI Bank Ltd. V. Mercator Ltd & Anr., has initiated Corporate Insolvency Resolution Process ("CIRP") against Mercator Limited, Corporate Debtor ("the Company") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr. Girish Siriram Juneja, having Registration No. IBBI/IPA-001/IP-P00999/2017-2018/11646 who had been appointed as Interim Resolution Professional was subsequently confirmed as Resolution Professional ("RP") to manage the affairs of the Company in accordance with the provisions of the Code. Further, in consonance with the stipulation contained in Section 17 of the Code, the powers of the Board of Directors of the Company stand suspended with effect from CIRP commencement date and the same are vested in Mr. Girish Siriram Juneja, Resolution Professional. The Resolution Plans submitted by the Resolution Applicants were placed before the Committee of Creditors ("CoC") for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the Code. Accordingly, an application for liquidation of the Corporate Debtor has been filed in terms of section 33 of the Code, which is pending adjudication by the Adjudicating Authority.

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

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company, for the year ended March 31, 2022 together with the Reports of the Board (RP & Directors) and Auditors thereon.

2. Appointment of M/s. SMBC & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company:

   To consider and if thought fit, to pass the following resolution, as an ordinary resolution:

"RESOLVED THAT pursuant to Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Resolution Professional & Directors of the Company, M/s. SMBC & Co. LLP, Chartered Accountants (Firm Registration Number: 121388W/W100687), be and are hereby appointed as the Statutory Auditors of the Company for a term of 5 (five) consecutive years, who shall hold office from the conclusion of this 38th AGM till the conclusion of the 43rd AGM to be held in the year 2027, at a remuneration of Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) per annum including Rs. 50,000/- (Rupees Fifty Thousand only) for Limited Review Report per quarter for first three quarters and Rs. 1,00,000/- (Rupees One Lakh only) as the Statutory Audit fees per year including last quarter.

RESOLVED FURTHER THAT the Resolution Professional & the Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

For Mercator Limited
(Company under Corporate Insolvency Resolution Process)

H. K. Mittal
Director
DIN: 00007690

Taken on record by

Girish Siriram Juneja
Resolution Professional for
Mercator Limited
(IBBI/IPA-001/IP-P00999/2017-2018/11646)

Regd. Office:
83-87, 8th Floor, Mittal Tower,
B-wing, Nariman Point,
Mumbai - 400 021
Dated: August 09, 2022

NOTES:

1. In view of continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular dated May 05, 2022 read together with relevant circulars issued by MCA (collectively referred to as "MCA Circulars") wherein the Companies are permitted to holding the Annual General Meeting ("AGM") through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and Circular dated May 13, 2022 read together with relevant circulars issued by the Securities and Exchange Board of India ("SEBI") (collectively referred to as "SEBI Circulars"), the 38th AGM of the Company is being held through VC/OAVM.

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

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

3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

4. The Directors of the Company are disqualified under Section 164 of the Companies Act, 2013. However, being under CIRP, the powers of the Board are suspended, and their tenure is subject to the terms of Insolvency and Bankruptcy Code, 2016. Hence, re-appointment of Director who is liable to retire by rotation which is a part of compliance with Section 152(6) of the Companies Act, 2013, has not been taken up for approval of members.

5. Central Depository Services (India) Limited (CDSL) will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM and e-voting during the AGM. The procedure for voting through remote e-voting, e-voting during AGM and participating in AGM through VC/OAVM is explained at Notes below and is also available on the website of the Company at www.mercator.co.in.

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

7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, October 26, 2022 to Tuesday, November 01, 2022 (both days inclusive) for the purpose of the AGM.

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

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

10. Members who have not intimated changes pertaining to their name, postal address, telephone/mobile numbers, Permanent Account Number Notice (PAN), mandates, nominations, power of attorney, etc. are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with Link Intime India Private Limited ("LIIPL") in case the shares are held by them in physical form.

11. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in ISR-3 or SH-14, respectively, as the case may be. The said forms can be downloaded from the Company's website. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in dematerialized form and to the Company's Registrar and Transfer Agent ('RTA') in case the shares are held by them in physical form, quoting their folio number.

12. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to

issue securities in dematerialized form only while processing service requests, viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.

Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form can be downloaded from the Company's website. It may be noted that any service request can be processed only after the folio is KYC Compliant.

13. Non-Resident Indian members are requested to inform the Company's RTA, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, IFSC and MICR Code, as applicable if such details were not furnished earlier.

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

15. **Green Initiative:** To support the Green Initiative, members who have not registered their e-mail address are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

DISPATCH OF ANNUAL REPORT THROUGH EMAIL AND REGISTRATION OF EMAIL IDs

1. In compliance with the aforementioned Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/Depository Participants. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.mercator.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on CDSL's website: www.evotingindia.com.

2. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in mentioning the Folio No. and Name of Shareholder along with scanned copy of the Share Certificate (front and back) and self-attested copy of PAN card for updation of email address. Members holding shares in dematerialized mode are requested to register/update their email addresses with their Depository Participants.

INSTRUCTIONS FOR E-VOTING AND JOINING VIRTUAL MEETINGS:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the General Meetings of the Companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.

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

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.mercator.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated 13th January, 2021.

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

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

1. The voting period begins on October 29, 2022 at 09:00 A.M. IST and ends on October 31, 2022 at 05:00 P.M. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

   Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

   Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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

   Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

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

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

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

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

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

5. Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

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

B. Click on "Shareholders" module.

C. Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

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

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

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

7. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

9. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

10. 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.

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

12. 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.

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

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

15. 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.

16. **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

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

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; www.mercator.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

GENERAL INFORMATION FOR THE SHAREHOLDERS:

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on https://www.evoting.cdsl.com/ to reset the password.
2. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e.,

October 25, 2022, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

3. The Resolution Professional, Mr. Girish Siriram Juneja, has appointed M/s. Manish Ghia & Associates, Company Secretaries, to act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

   The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting and make, not later than 2 working days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Resolution Professional, who shall countersign the same.

4. The result declared along with the Scrutinizer's Report shall be placed on the Company's website: www.mercator.co.in and on CDSL's website: www.evotingindia.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT:

Item No. 2 - Appointment of M/s. SMBC & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company

M/s. Singhi & Co., Chartered Accountants (FRN: 302049E), were appointed as Statutory Auditors of the Company at the 33rd AGM held on September 15, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 38th AGM to be held this year i.e. 2022. As per the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, and based on the recommendations of the Audit Committee, the Resolution Professional & the Board of Directors, at its meeting held on August 09, 2022, approved the appointment of M/s. SMBC & Co. LLP, as the statutory auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of this ensuing AGM until the conclusion of the 43rd AGM to be held in the year 2027. Further, it is proposed to the shareholders of the Company to approve appointment of the Statutory Auditors.

SMBC & Co. LLP have provided their consent for the appointment as the Statutory Auditors of the Company along with a confirmation that their appointment, if made, would be within the limits prescribed under the Act. They have also confirmed that they do not have any financial interest in, or association with the Company which may lead to conflict of interest situations.

The proposed remuneration to be paid to SMBC & Co. LLP, for audit services for the financial year ending March 31, 2023, is Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) plus applicable taxes and out-of-pocket expenses. The Resolution Professional & Board of Directors and the Audit Committee shall approve revisions to the remuneration of the Statutory Auditors for the remaining part of the tenure.

The Resolution Professional & the Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of the said appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the statutory auditors.

Brief Profile of SMBC & Co. LLP:

SMBC & Co. LLP is an accounting & consultancy firm with a competent and professional team with knowledge, experience and expertise in the field of International and Domestic taxation, Accounting, Advisory, Auditing and other fields to deliver value and quality.

Board's Report

To
The Members,
Mercator Limited

We hereby present the 38th (Thirty-Eighth) Annual Report of your Company for the year ended on March 31, 2022.

In accordance with an application made by ICICI Bank, Financial Creditor of the Company, the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated February 08, 2021 ("Order") in Company Petition No. (IB) 4404/MB/2019 ("Insolvency Commencement Order") in the matter of ICICI Bank Ltd V. Mercator Ltd & Anr., has initiated Corporate Insolvency Resolution Process ("CIRP") against Mercator Limited, Corporate Debtor ("the Company") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Pursuant to the Order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who has been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC). The Resolution Plans submitted by the Resolution Applicants were placed before the CoC for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the Code. Accordingly, an application for liquidation of the Corporate Debtor has been filed in terms of section 33 of the Code, which is pending adjudication by the Adjudicating Authority.

FINANCIAL HIGHLIGHTS:

The consolidated and standalone financial performance of the Company for the year ended March 31, 2022 is summarized below:

(₹ in Million)

Particulars	Consolidated Year ended		Standalone Year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Income from operations	-	3737.83	-	68.55
Other Income	3.90	387.98	126.95	336.53
Total Income	**3.93**	**4125.81**	**16.95**	**405.08**
Operating Profit	(121.11)	527.74	89.81	181.24
Finance Costs	(132.65)	(2907.89)	(1.52)	(2101.17)
Depreciation	(0.97)	(394.47)	(0.97)	(1.26)
Impairment	48.09	(266.34)	(46.46)	(116.43)
Exceptional Items	-	-	-	-
Profit/(Loss) before Tax	**(206.64)**	**(3040.96)**	**40.86**	**(2037.62)**
Taxes				
-Current Year	-	(62.29)	-	-
-Excess/(Short) provision of earlier years	11.25	(93.51)	11.25	(93.51)
-Deferred Tax		-	-	-
Net Profit/(Loss) After Tax	**(195.39)**	**(3196.76)**	**52.11**	**(2131.13)**
Minority Interest	-	125.02	-	-
Other Comprehensive Income Adjustment	**-**	**-**	**-**	**-**

The Standalone & Consolidated financial statements of the Company for the financial year ended March 31, 2022 have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder (IND AS) and other accounting principles generally accepted in India.

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

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

During the year under review, the income from operations on a consolidated basis was Nil against Rs. 3737.83 million in the previous year. The consequential loss in revenue were on account of (i) Audited / Unaudited financial statements of all subsidiaries for the year ending March 31, 2022, have not been provided to the Holding Company (ii) sale of entire fleet of ships, auction of 2 out of 4 dredgers (iii) remaining 2 dredgers remaining idle and in arrested condition.

The consolidated EBIDTA is Rs. 121.11 million in negative against Rs. 527.74 million in the previous year. The consolidated loss before tax was Rs. 206.64 million against previous year loss of Rs. 3040.96 million. The consolidated loss after tax was Rs. 195.39 million against loss after tax of Rs. 3196.76 million in the previous year.

On a standalone basis, the income from operations for the year under review was Nil (Rs.68.55 million in the previous year). Depreciation was Rs. 0.97 million against Rs. 1.26 million in previous year and Finance Cost was Rs. 1.52 million against Rs. 2101.17 million in previous year; the Company had standalone profit after tax of Rs. 52.11 million (previous year loss after tax of Rs. 2131.13 million) after provision of tax of Rs. 11.25 million in negative (previous year Rs. 93.51 million).

Following are the key financial highlights for the financial year 2021-22 (PY 2020-21):

-At standalone level, Finance Costs of Rs. 1.52 million (PY Rs. 2101.17 million) includes Nil (PY Rs. 1010.25 million) towards penal interest charged by the lenders;

-At standalone level, impairment provision was Rs. 46.46 million (PY Rs. 116.43 million);

-Loss on sale of assets in amounted to Nil (PY Rs. 22.59 million);

-Other Income included sundry balances written back amounting to Nil (PY Rs.27.11 million).

The Company has prepared its accounts for the year ended March 31, 2022 on a going concern basis rather than on liquidation value basis. The Company has negative retained earnings as at March 31, 2022, wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net≈worth. Further, the Company had since disposed-off the substantial part of the Property, Plant and Equipment (PPE). As on March 31, 2022 the Company has only two non-operating dredgers which have been arrested by operational creditors. The current liabilities substantially exceed the current assets and large sums of money receivable are in dispute, which is not readily realisable. A Corporate Insolvency Resolution Process (CIRP) has been initiated by Hon'ble NCLT, Mumbai. It may be further noted that in consonance with the stipulations contained in Section 14 of the Code, a moratorium has been declared in the aforesaid order passed by the Hon'ble NCLT, inter alia, prohibiting the following:

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

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

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

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

The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable resolution plan by the prospective investor. The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the code. Accordingly, an application for liquidation has been filed in terms of section 33 of the Code, which is pending adjudication by the NCLT. Further, the RP is required to make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern.

The management / RP is of the view that they are making best efforts to achieve favourable order in ongoing litigations in order to protect the value of its assets and is making efforts to revive operations. As per rules and regulations of the CIRP stipulated under the Code, RP has invited Resolution Plans from the eligible Prospective Resolution Applicants (PRA). Further, the Company believes that the claims receivable for Rs. 15,800 million at the group level could, if realised, provide a reasonable sufficient opportunity for the repayment of loans from lenders and provide required resources for the development of business opportunities for the revival.

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

Pending decision by NCLT, the financial statements of the Company have been prepared on a going concern basis.

Updates on Debts Position:

Total Debts at standalone levels and consolidated levels as on 31st March, 2022 stands at Rs.9429.19 million and Rs.16,413.30 million respectively. We have already deleveraged Long-term debts by selling the Floating Storage and Offloading Unit (FSO) 'Prem Pride' in the financial year 2019-20 on 16th January 2020 for Rs.495.4 million and Vessel M. T. Hansa Prem on 23rd March 2020 through an e-auction process for a consideration of USD 3.60 million plus taxes and in the financial year 2020-21, sold the Vessel M. T. Prem Mala vide Hon'ble Bombay High Court's order dated 26th May 2020, confirmed the sale of the Vessel under the auction process to the highest bidder at a consideration of Rs.364 million.

As per the Code, the RP has to receive, collate, verify and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the

CIRP, till the approval of a resolution plan by the COC. The impact of such claims, if any, that may arise has not been considered in the preparation of the aforesaid standalone audited financial results as on 31st March, 2022.

At the standalone level, Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on ICD dates (Rs.9206.5 million). Total amount of claims towards principal dues of the financial creditors as on March 31, 2022 stand as under:

a.	Principal amount of Loans admitted by RP	Rs.9206.5 million
b.	Claims under verification by RP/Not filed	Nil
	Total	Rs.9206.5 million*

* In addition, Contingent Claims arising out of Corporate Guarantee issued by the Company, has been admitted by RP for Bank of Baroda (Principal amount of Rs. 992.60 million plus Interest amount of Rs. 334.0 million aggregating to Rs. 1326.60 million) and DBS Bank India Ltd. (Principal amount of Rs. 216.60 million and interest of Rs. 20.80 million aggregating to Rs. 237.40 million).

Operations & Finance:

Shipping:

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

Dredging:

Slowdown of dredging business has been in place on account of business downturn contributed largely by majority stake buyout of DCI by government owned major ports. The core management team will continue to focus on developing low capex businesses in the Dredging Business. An example of asset light model for dredging contracts could be wherein the work can be accomplished by chartering dredgers. One of such contracts is under execution with Mumbai Port Trust. The Company shall continue to explore suitable opportunities in the asset light model, where the experience and expertise of the Company can be leveraged. The Company did not participate in any fresh tenders during financial year 2021-22.

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

Further, there is only one non-operational dredgers (arrested by creditors) with the Company as on March 31, 2022, which was fully impaired in financial year 2019-20 and are carried at realisable scrap value in the books of accounts. On account of this, no depreciation has been charged on Vessels in the year ended March 31, 2022 and March 31, 2021. The current status of the said dredgers are as under –

Darshani Prem: The dredger is under arrest by a few operational creditors, crew and port authorities. The cases filed against Darshini Prem in High court of Andhra Pradesh shall get listed in due course. Kakinada Seaports Ltd. has vide its email dated January 08, 2021 required the Company for shifting of the vessel Darshini Prem to anchorage at its cost and risk. The Company has intimated ICICI Bank Ltd, the charge holder, to initiate any action at their end, as may be deemed appropriate.

Yukti Prem: During the year, the dredger has been sold under court auction (order dated September 1,2021 of Kerala High Court) for a price of Rs. 7.90 million. However, the appropriation of the proceeds shall follow in due course of time and the sale proceeds of Rs.7.90 million is lying as deposit with the court. Basis the transaction, the vessel has been considered as sold by the Company, as management has no control over it, effective from the date of order and the amount receivable from Court has been classified as "Other Current Assets".

Coal

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

Audited/Unaudited Financial Statements of all Indonesian subsidiaries for the year ended March 31, 2022 have not been provided to the Parent Company and hence their financial statements for the 9 months period ended December 31, 2020 have only been considered for the purpose of preparation of Consolidated Financial Statements for the year ended March 31, 2022.

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

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

Management of the Company is anticipating positive outcome as per their judgment and other compliance under applicable Mining Law in Indonesia. The Company is taking all legal steps to protect its rights and interests. Meanwhile the control of the operations are continuing normally.

Some of the key risks for the coal business are:

1) Coal prices have always been volatile. As on date, amongst several reasons including Covid Pandemic have causes the coal prices to crash threatening sustainable cash flows.

2) Coal subsidiaries have a running default on their loan obligations and lenders are now seeking legal recourse.

3) Legal cases continue to distract management and incur high expenses.

4) Internationally most countries are encouraging move to cleaner energy sources and this remains a threat for the long term price sustainability of the coal prices.

5) India opening mining sector to private sector does pose a threat to coal prices as India may reduce import of coal over a period of time.

6) Change of regulations in Indonesia with respect to taxes, annual production and exports poses an unseen risk.

Oil and Gas

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

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

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

The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against the material subsidiary of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stand suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions.

In terms of the last update received from RP of that company, as a part of the Corporate Insolvency Resolution Process (CIRP), RP had floated an Expression of Interest and had received interest from Public and Private Players in the process. The Request for Resolution Plans (RFRP) has been issued to the shortlisted Prospective Resolution Applicants (PRA) and they are required to submit their Resolution Plans in October 2021 as per the process laid down under the Code. Prospective Resolution Applicants (PRAs) have expressed their interest in the Oil Assets of MPL. The process of due diligence by these entities is currently going on. However, due to a pending litigation filed in NCLT by a financial creditor of the Parent Company and a consequent stay granted by NCLAT, the timelines under the Code stand extended.

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

1. During the financial year 2019-20, MPL made efforts to Farm-out (in full or in part) its Participating Interest (PI) in the Block CB-ONN-2005/9. To this effect, MPL signed a Sale Purchase Agreement (SPA) with an identified buyer on 26th December 2019. Further, Deed of Assignment for transfer of 100% PI was signed on 14th January 2020. Application for transfer of PI along with requisite documents has been submitted to Director General of Hydrocarbon (DGH) for approval and the same was being reviewed by them. We had signed an addendum to extend the completion date to 31st August 2020 and further extending the long stop date to October 31, 2020. In terms of the update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had invited Resolution Plans from the eligible bidders. IRP had received a positive response and after the initial phase, there are a few Prospective Resolution Applicants in the fray. As part of the process, these Resolution Applicants have been carrying out the necessary due diligence. The Resolution Applicants include certain Private Entities in the sector, a Public Sector Undertaking and others. Prospective Resolution Applicants (RPAs) have expressed their interest in the Oil Assets of MPL. The process of due diligence by these entities is currently going on. The sale proceeds will enable the company to pay its financial creditors and trade creditors.

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

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

On September 25, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project giving the consortium 14 days' cure period as per the contract. At the same time, ONGC proceeded to encash the bank guarantees. MOGL had then challenged the invocation of Bank Guarantees and was granted a stay by Hon'ble Single Member Bench (SMB) of the Bombay High Court. Appeal in the Arbitration Petition before division bench of Hon'ble Bombay High Court in a 100% subsidiary of the Company was dismissed vide order in July-2019; By virtue of the above order, ONGC invoked bank guarantees worth INR 1421.90 million in the previous financial year. This has increased the debt of MOGL by an equivalent amount. A claim of Rs. 19,470 million (USD 262 Mn) has been made by the MOGL on ONGC. In the view of the management and based on legal advice made available earlier, an estimated amount of Rs. 12,880 million (USD 173.36 Mn) could probably be awarded as payable to the subsidiary company. However, any impact of the settlement will be known only after completion of the ongoing arbitration proceedings. Management fees it has a very strong case in its favor as per a legal opinion which also includes claims for wrongful invocation of the Bank Guarantees against ONGC on account of the following:

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

MOGL in its pleadings had alleged fraud and collusion by and between ONGC & GPC for illegally terminating the contract and subsequently awarding it to GPC which was ultra vires (a) the Contract signed between ONGC & the Consortium, (b) Contract signed between the Consortium parties inter se and (c) Guidelines laid down by the Central Vigilance Commission (CVC) for PSUs mandating policies for awarding contracts. The arbitration is likely to complete in a few months and the tribunal is expected to issue its award thereafter. In terms of an update received from RP, the arbitration tribunal has provided revised schedule of recording of evidence from October 18, 2021 to October 23, 2021 and final hearing from December 6, 2021 to December 11, 2021. ONGC with a view of postponing the trial, filed a writ petition in Bombay High Court, challenging Tribunal's various orders for timely completion of October,2021 Trial. On 18 October 2021, the Tribunal convened to commence the October Trial. However, ONGC was not present in the trial. On 19 October 2021, the MOGL was served with an un-numbered writ petition to be filed by the ONGC before the Bombay High Court ("Writ Petition"), inter alia seeking a direction to the Tribunal not to proceed with the October Trial till such time as the NCLT decides the Parties' applications, a stay of this Arbitration until final disposal of the Writ Petition, and interim and ad interim reliefs in this regard. On 21st October, 2021 ONGC mentioned that the Writ Petition before the Bombay High Court, which refused to pass any orders, and directed for the same to be listed on 25 October 2021. The hearing on this petition now fixed for 15 December 2021. ONGC appeared on the 22nd October, 2021 and requested for new dates for October Trial. Despite MOGL's objections, new dates for hearing were given as under:

(a) 10, 20 -22 December, 2021 for Respondent's opening submissions and for completing cross-examination witnesses of both parties;

(b) 17-20 January, 2022 for Claimant's oral submissions

(c) 14-17 February 2022 for Respondent's oral submissions

(d) 18 February, 2022 for Claimant's oral submissions in rejoinder.

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

A financial creditor has incurred legal costs aggregating Rs.56.9 million in the year ended March 31 2021 on behalf of MOGL in relation to the ongoing arbitration in the SSCP matter. The same has been expenses out in MOGL towards Legal Costs in the FY 2020-21. MOGL is also in advanced stages of discussions with overseas funds to fund litigation for Sagar Samrat Arbitration matter and encashment of the counter bank guarantees given by GPC for any shortfall of amount sanctioned by the financial creditor and/or further expenses that may be needed for execution of the award.

MATERIAL CHANGES AND COMMITMENTS:

The Company is currently undergoing CIRP vide order of NCLT dated February 08, 2021. Pursuant to the said order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who has been appointed as Resolution Professional (RP) by the NCLT. The Resolution Plans submitted by the Resolution Applicants were placed before the Committee of Creditors for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the Code. Accordingly, an application for liquidation of the Corporate Debtor has been filed in terms of section 33 of the Code, which is pending adjudication by the Adjudicating Authority.

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

SHARE CAPITAL:

The paid-up Equity Share Capital as at March 31, 2022 stood at Rs.302.46 million. During the year under review, the Company has not issued shares or shares with differential voting rights nor has granted any stock options or sweat equity or warrants.

TRANSFER TO RESERVES:

No amount is proposed to be transferred to the Reserves, including Debenture Redemption Reserve.

DIVIDEND:

In view of accumulated losses of the Company, no dividend has been recommended for financial year 2021-22.

CHANGE IN THE NATURE OF BUSINESS:

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

PUBLIC DEPOSITS:

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, Mr. Jagmohan Talan (DIN: 08890353), Ms. Ritu Vats (DIN: 08890591) and Mr. Harish Kumar Mittal (DIN: 00007690) continued to be the Directors of the Company.

Change in designation of Mr. Harish Kumar Mittal:

The tenure of Mr. Harish Kumar Mittal (DIN: 00007690) as Whole Time Director of the Company expired on July 31, 2022. In furtherance to the above, all the Directors of the Company are disqualified from being appointed as Director in terms of Section 164 (2) of the Act.

However, since the Company is under CIRP, the Resolution Professional has requested the Directors to continue with their term. Hence, the designation of Mr. Mittal has been changed to the position of Director from Whole Time Director w.e.f. August 1, 2022.

Resignations:

During the year under review, Mr. Sukhdarshan Singh Bedi (DIN: 08889664) was unwilling to continue with his term due to personal commitments, as such, his resignation was taken on record and accepted w.e.f. August 12, 2021.

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

Directors retiring by rotation:

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

Re-appointment of Mr. Mittal is a part of compliance with section 152(6) of the Act. However, the powers of the Board shall continue to remain suspended during the continuance of CIRP.

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

Declaration by Independent Directors:

During the year under review, the Company has received declarations from the Independent Directors under Section 149(7) of the Act, that he / she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations.

Mr. Jagmohan Talan and Mr. Sukhdarshan Singh Bedi, Independent Directors of the Company had undertaken requisite steps towards the inclusion of their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs (IICA) in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014 as per the Ministry of Corporate Affairs Notification dated October 22, 2019. However, the renewal of subscription of Mr. Talan was pending as on September 23, 2021. Ms. Ritu Vats, Independent Director has not applied for inclusion of her name in the databank.

Remuneration to Non-Executive Directors:

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

Disqualification of Directors:

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

However, since the company is under CIRP, the Resolution Professional has requested to the Directors to continue with their term.

Board Evaluation Process:

Since, the Company was under CIRP during the financial year 2021-22 and pursuant to the provisions of the Code, the powers of Board of Directors had been suspended, hence, the evaluation couldn't be conducted. The RP, however, appreciated the valuable contribution made by Independent Directors in the Company.

Key Managerial Personnel:

During the year under review, Mr. Shalabh Mittal had resigned from the position of Chief Executive Officer and Mr. Rajendra Kothari from the position of Chief Financial Officer & Compliance Officer of the Company w.e.f. August 12, 2021 and February 28, 2022 respectively.

The RP & Directors placed on record its appreciation for the support and contribution made by Mr. Shalabh Mittal and Mr. Rajendra Kothari during their tenure with the Company.

Pursuant to the approval of CoC, Mr. Mangesh Mukund Deokar Bhosale was appointed as Chief Financial Officer & Compliance Officer of the Company w.e.f. March 1, 2022.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

As on March 31, 2022, your Company had total 27 subsidiaries/step-down subsidiaries. However, the financials of all subsidiaries were not available for review during the financial year ended March 31, 2022, hence, the materiality of subsidiaries could not be determined.

Further, the Policy for determining material subsidiary companies is however framed and adopted which could be accessed on the Company's website at www.mercator.co.in.

As per Section 134 of the Act, your Company has provided the Audited Consolidated Financial Statements for the year ended on March 31, 2022; together with Auditors' Report thereon forming part of this Annual Report, which includes financial information as available of all the subsidiaries. A statement pursuant to the provisions of the Section 129(3) of the Act read with relevant rules made thereunder in the prescribed form AOC-1, showing financial highlights of the subsidiary companies, as available, is attached to the consolidated financial statements.

During the financial year under review, no company ceased to be subsidiary, associate or joint venture. The Company does not have any associate or joint venture companies as on March 31, 2022.

MEETINGS OF RP & DIRECTORS:

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

COMMITTEES:

As per Regulation 15(2A) and 15(2B) of the Listing Regulations, Regulations 17(Board of Directors), Regulation 18 (Audit Committee), Regulation 19 (Nomination and Remuneration Committee), Regulation 20 (Stakeholders Relationship Committee) and Regulation 21 (Risk Management Committee) of Listing Regulations shall not be applicable to the during Company as the Company is undergoing CIRP under IBC. During year under review, however, the provisions of Companies Act, 2013 shall continue to apply, wherever applicable.

Accordingly, the Committees constituted under the Act are:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination & Remuneration Committee

However, during the financial year under review, the Corporate Social Responsibility Committee and the Risk Management Committee have been dissolved, owing to the exemptions provided under the Act and Listing Regulations.

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

PARTICULARS OF EMPLOYEES:

As on March 31, 2022, the Company has 2 employees including the Chief Financial Officer.

The information required under Section 197 of the Act read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for part of financial year 2021- 22, is appended as **Annexure IIA** and **Annexure IIB** respectively forming part of this Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

Pursuant to the provisions of Section 178 of the Act read with the Rules made thereunder and on the recommendation of the Nomination & Remuneration Committee, the Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is has been uploaded on the website www.mercator.co.in and can be accessed from there.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

During the year under review, the Company being under CIRP, no programs were conducted.

STATUTORY AUDITORS & AUDIT REPORT:

M/s. Singhi and Co. (FRN: 302049E), were appointed as Statutory Auditors of the Company at the 33rd Annual General Meeting of the Company held on September 15, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 38th AGM of the Company.

The RP & Directors places on record, its appreciation for the contribution of M/s. Singhi and Co., Chartered Accountants, during his tenure as the Statutory Auditors of the Company.

The RP & Directors at its meeting held on August 09, 2022 has recommended the appointment of M/s. SMBC & Co. LLP (Firm Registration No. 121388W/W100687) as Statutory Auditors for a First term of 5 (Five) years, from the conclusion of the 38th Annual General Meeting till the conclusion of 43rd Annual General Meeting to be held in the year 2027 for approval of shareholders of the Company based on the recommendation of Audit Committee.

The Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) from M/s. SMBC & Co. LLP. Further, as required under Regulation 33(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. SMBC & Co. LLP, Chartered Accountants, have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the Listing Regulations.

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

Qualifications in Statutory Auditors' report:

STANDALONE FINANCIAL STATEMENTS

Sr. No.	Auditor's Observations	Company Reply
1	Regarding preparation of the statement on a going concern basis: The Company's financing arrangements have expired and substantial amounts have been recalled and are due and payable as on March 31, 2022. Besides the NCLT has admitted the petition of the Financial Creditors vide its Order dated February 8, 2021 and proceedings under the Code have been initiated on the company. The Company has substantial investments and loans and advances receivable from subsidiary companies and other disputed receivables, which are not readily realizable and the Company's net worth has also been fully eroded, along with inability to meet its current liabilities which substantially exceeds its current assets. The Company had substantially disposed-off its Property, Plant and Equipment and currently doesn't have any operating revenue and operating assets. Further, the Resolution Plans which were submitted before the CoC for their consideration and voting, have failed to receive the requisite votes in terms of the provisions of the Code and accordingly, an application for liquidation has been filed in terms of section 33 of the Code, which is pending adjudication by the NCLT. As the Company is unable to meet it current liability and erosion of net worth and liquidation application filed by the RP, we conclude that the going concern assumption has been vitiated.	The financial results of the Company have been prepared on a going concern basis by the management. The company has negative retained earnings as at 31st March, 2022, wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net≈worth. Further, the Company had since disposed≈off the substantial part of the Property, Plant and Equipment (PPE). As on March 31, 2021 the Company has only two non≈operating dredgers which have been arrested by operational creditors. The current liabilities substantially exceed the current assets and large sums of money receivable are in dispute, which is not readily realizable. A CIR process has been initiated by Hon'ble NCLT, Mumbai. It may be further noted that in consonance with the stipulations contained in Section 14 of the Code, a moratorium has been declared in the aforesaid order passed by the Hon'ble NCLT, inter alia, prohibiting the following: a. the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or other in any court of law, tribunal, arbitration panel or other authority; b. transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein; c. any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; d. the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

Sr. No.	Auditor's Observations	Company Reply
		The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable resolution plan by the prospective investor. Under the CIRP, a resolution plan needs to be presented to and approved by the COC and thereafter will need to be approved by the NCLT to keep the Company as a going concern. RP is required to make every endeavor to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern. The management / RP is of the view that they are making best efforts to achieve favorable order in ongoing litigations in order to protect the value of its assets and is making efforts to revive operations. As per rules and regulations of the Corporate Insolvency Resolution Process. (CIRP) stipulated under the Insolvency and Bankruptcy Code, 2016, RP has invited Resolution Plans from the eligible Prospective Resolution Applicants (PRA). Said resolution plans were submitted to the CoC for their consideration and approval but failed to gain requisite votes. Accordingly, an application for liquidation of the Company has been filed in terms of section 33 of the Code, which is pending adjudication by the Adjudicating Authority. Further, the Company believes that the claims receivable for Rs. 1,5800 million at the group level could, if realized, provide a reasonable sufficient opportunity for the repayment of loans from lenders and provide required resources for the development of business opportunities for the revival. In view of the aforesaid details and pending decision by the Adjudicating Authority, the financial statements of the Company have been prepared on going concern basis.
2	Regarding the balances restated in the books of accounts pursuant to admission of the claims submitted by the financial creditors, of which as on March 31, 2022. As confirmed by RP, no claim is pending for verification with Resolution Professional (RP). We have relied on the adjustments made by the RP w.r.t. the claims received and are unable to comment on the adjustment, if any, arising on any pending claim or claim not received on the standalone financial statements of the Company.	As per the Code, the RP has to receive, collate, verify and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the COC. The impact of such claims, if any, that may arise has not been considered in the preparation of the audited financial results. Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on Insolvency Commencement Date ("ICD date") (Rs.9206.50 million). Total amount of claims towards principal dues of the financial creditors as on March 31, 2022 stand as under:a. Principal amount of Loans admitted by RP Rs.9206.50 million and; b. Claims under verification by RP/Not filed Rs.Nil Total Rs.9206.50 million* **In addition, Contingent Claims arising out of Corporate Guarantee issued by the Company, has been admitted by RP for Bank of Baroda (Principal amount of Rs. 992.60 million plus Interest amount of Rs. 334.0 million aggregating to Rs. 1326.60 million) and DBS Bank India Ltd. (Principal amount of Rs. 216.60 million and interest of Rs. 20.80 million aggregating to Rs. 237.40 million).*

Sr. No.	Auditor's Observations	Company Reply
3	Regarding interest or any other charges not being accrued in the books of accounts from the date of commencement of CIR process, i.e. February 8, 2021 onwards.	Interest or any other charges has not been accrued in the books of accounts from the date of commencement of CIR process, i.e. 8th February, 2021 onwards, on account of moratorium under section 14 of Code.
4	Regarding the Company's investments in its wholly owned foreign subsidiary Mercator International Pte Ltd. (MIL) which was been impaired in full, amounting to Rs. 4,293.67 million equivalent to USD 55.65 million (excluding investment in equity shares – Rs. 2.88 million) as on March 31, 2022. The significant investment of MIL is in its coal mines and related infrastructure in Indonesia and the valuation of these assets was conducted on December 31, 2020 by an independent valuer, and the same is the only and latest information available with the management / RP. Further, we have been informed by the management / RP that a liquidator has been appointed on MIL effective April 9, 2021 and also audited financial statement of MIL are not available with the Company. In view of the non – availability of the financials statement / financial information and updates on other matters as stated above, we are unable to comment on the value or recoverability of the said investment in subsidiary.	The Company had impaired investment amounting to USD 56.55 million in Non-Cumulative Redeemable Preference Shares (NCRPS) of its wholly owned subsidiary Mercator International Pte Ltd, Singapore (MIPL) in previous year. The step-down Subsidiary Company had last carried out valuation of coal business taking cut-off date December 31, 2020 for the purpose local reporting requirement and the same has been considered for financial reporting as on March 31, 2022 as well. However, due to on-going events such as commencement of liquidation proceedings in Mercator International Pte. Ltd (MIPL), Singapore with effect from April 9, 2021and non-availability of audited financial statements of step down coal subsidiaries at Indonesia for the year ended March 31, 2022, any impact on the valuation is not known as on the date. The coal business is housed in companies which are a subsidiary of MIPL and given the fact that a liquidation has been ordered in case of MIPL by the High Court of the Republic of Singapore, the coal business will be monetized by the liquidator of MIPL or the receiver appointed by the financial creditor with whom the shares of the subsidiary owning the coal business have been pledged, as the case may be. The residual value, if any, after settling the debts of the financial and other creditors would be available for redemption of the NCRPS of MIPL held by Mercator Limited. Audited Financial Statements of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the year ended March 31, 2022 have not been provided to the Parent Company and hence their financial statements available for the 9 months period ended December 31, 2020 have been considered for the purpose of preparation of Consolidated Financial Statements for the year ended March 31, 2022. Standalone Financial Statements of MIPL (which is under liquidation) have been certified by the management, however the same have not been audited. These unaudited Financial Statements have been considered for the purpose of preparation of Consolidated Financial Statements for the year ended March 31, 2022.
5	Regarding unprovided current tax demands under dispute to the tune of Rs. 867.50 million pending at various judicial forums of the Income Tax department, which are treated as contingent liabilities. In the absence of the required supporting documents justifying the stand of the Company we are unable to comment on final outcome of such contested statutory demands and the potential financial impact of the same.	Non-Current Tax Assets (net) as on March 31, 2022 includes Rs. 691.90 million which has not been settled due to ongoing tax assessment for the various Assessment Years from AY 2003-04 to AY 2018-19 against which net tax demand of Rs. 631.80 million has been received and contested by the Company. The management is taking steps to resolve the cases with the income tax department.
6	Regarding termination of Sagar Samrat Conversion Project (SSCP), undertaken by a subsidiary Mercator Oil & Gas Ltd. (hereinafter referred as "MOGL" or "subsidiary"), by ONGC, which is currently under arbitration. The Company has investments in equity amounting to Rs. 1.50	Mercator Oil & Gas Limited ('MOGL'), a subsidiary of the Company was engaged in EPC project awarded by ONGC for conversion of their Mobile Offshore Drilling Unit (MODU) 'Sagar Samrat' into a Mobile Offshore Production Unit (MOPU). On September 25, 2018, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project after completing almost 96% of

Sr. No.	Auditor's Observations	Company Reply
	million, which has been fully impaired in previous years and loans amounting to Rs. 985.10 million (which includes un-serviced interest amounting to Rs. 330.20 million, excluding impairment of Rs. 385.60 million), and the balance as per the financial results net of impairment amounts to Rs. 599.50 million as at March 31, 2022 in MOGL, which in the view of the management / RP is recoverable. The petition filed in NCLT, Mumbai Bench by an operational creditor against MOGL was admitted vide Order dated June 30, 2021 and an Interim Resolution Professional (IRP) has been appointed. We have been informed by the management / RP that no financial statement / financial results / financial information of MOGL as on March 31, 2022 is being made available to the Company. Further, the Company have also accounted for Rs. 28.60 million as interest income during the year, out of which 50% has been impaired. In view of the non – availability of the financials statement / financial information and updates on other matters as stated above of MOGL as on March 31, 2022, we are unable to comment on the recoverability of such investment and loan amount.	the project work. MOGL has since initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed. The proceedings are underway. In addition to above, based on the order of Hon'ble Bombay High Court dated July 29, 2019, ONGC had invoked Bank Guarantee amounting to Rs. 1421.90 million which had been accounted in the books of the accounts of MOGL in the quarter ended June 30, 2019. Based on the progress of the arbitration proceedings and discussion with the legal counsel, the management is hopeful of a positive outcome in the claim of Rs. 1,9467.30 million filed against ONGC. Accordingly, in the financial year 2021-22, the Company made 50% impairment for an amount of Rs. 28.60 million for the year ended March 31, 2022 towards accrued interest on loan given to MOGL. Out of the total outstanding loan of Rs. 985.10 million, unimpaired amount as on March 31, 2022 is Rs. 599.50 million after considering a provision for impairment of Rs.385.60 million. Further, one of the operational creditors has filed petition u/s 9 of IBC 2016 before the National Company Law Tribunal (NCLT), Mumbai Bench against MOGL and the said application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) was admitted vide the order of NCLT dated June 30, 2021 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order and subsequently confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC) in their meeting held on July 27, 2021. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. A claim of Rs. 19,470 million (USD 262 Mn) has been made by the subsidiary company on ONGC. In the view of the management and based on legal advice made available earlier, an estimated amount of Rs. 12,880 million (USD 173.36 Mn) could probably be awarded as payable to the subsidiary company. However, any impact of the settlement will be known only after completion of the ongoing arbitration proceedings.
7	Regarding the Company's investments in its Indian subsidiary Mercator Petroleum Ltd. (hereinafter referred to as "MPL") amounting to Rs. 479.30 million, (excluding impairment of Rs. 161.70 million during the year) and loan (including Debentures) given amounting to Rs. 1,208.70 million (including un-serviced interest of Rs. 492.10 million and excluding impairment of Rs. 226.30 million) as on March 31, 2022, and the balance as per the standalone financial statements including investments and loans amounts to Rs. 1,300 million, which are considered recoverable. Further, the petition filed in NCLT, Mumbai Bench by an operational creditor against MPL was admitted vide Order dated August 31, 2020 and an Interim Resolution Professional (IRP) has been appointed. We have been informed by the management / RP that no financial statement /	The Company has receivable towards loan given of Rs. 892.7 million (including debentures) to Mercator Petroleum Limited (MPL) as on March 31, 2022, against which impairment of Rs. 226.20 million has been created and balance outstanding as on March 31, 2022 is Rs. 666.50 million. During the year ended March 31, 2022, the Company has provided additional impairment of Rs. 47.10 million for the year ended March 31, 2022 towards accrued interest on loan to Mercator Petroleum Limited (MPL), Rs. 19 million towards interest accrued on 6% optionally convertible debentures issued by MPL, on evaluating the following criteria – a. In October, 2019, MPL has received notice of termination from the Ministry of Petroleum and Natural Gas (MOPNG) in compliance with Production Sharing Contract (PSC) for its non-operative oil Block (CB-3) and also has demanded costs and other dues to be determined as per terms and conditions of PSC. The management of MPL and the Company is confident of defending the amounts claimed by Directorate General of

Sr. No.	Auditor's Observations	Company Reply
	financial results / financial information of MPL as on March 31, 2022 is being made available to the Company. Further, the Company have also accounted for Rs. 66.10 million as interest income during the year, which has been fully impaired. In view of the non – availability of the financials statement / financial information and updates on other matters as stated above of MPL as on March 31, 2022, we are unable to obtain sufficient appropriate evidence about the recoverability of such investment and loan given.	Hydrocarbon (DGH). In event of rejection of subsidiary's contention, basis the latest available information with the management, the estimated financial impact on the Company would be approx. Rs. 358 million. b. The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against one of the material subsidiary of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order who has taken charge under the directions of the Committee of Creditors. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. In terms of the last update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had floated an Expression of Interest and had received interest from Public and Private Players in the process. Basis the latest available information with the management, the Request for Resolution Plans (RFRP) has been issued to the shortlisted Prospective Resolution Applicants (PRA) and they are required to submit their Resolution Plans in October 2021 as per the process laid down under the Code. Prospective Resolution Applicants (PRAs) have expressed their interest in the Oil Assets of MPL. The process of due diligence by these entities is currently going on.
8	Regarding the fact that no Financial Statement / Financial Information (including balance confirmations) of any of the subsidiaries have been made available to the management / RP for the purpose of preparation of consolidated financial statements for the year ended March 31, 2022. In the view of the non – availability of any financial information, we are unable to obtain sufficient appropriate evidence about the recoverability of such investments and loans and advances given which are outstanding as on March 31, 2022.	The Company has not received Audited or management certified Financial Statements from subsidiaries/Step – down subsidiaries as under: **Indian Subsidiaries –** In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) vide order of NCLT dated August 31, 2020, the financial statements / financial results / financial information of Mercator Petroleum Limited, one of the material subsidiaries of the Company for the year ended March 31, 2022 have not been made available to the Company by IRP of the said material subsidiary. In view of this, the financial statements / financial results / financial information available as on March 31, 2021, which are neither management / IRP certified nor audited, have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022. In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) vide order of NCLT dated June 30, 2021, financial statements / financial results / financial information of Mercator Oil and Gas Limited, one of the material subsidiary of the Company, for the nine months period ended December 31, 2021 have been made available to the Company by IRP of the said

Sr. No.	Auditor's Observations	Company Reply
		material subsidiary, which are neither management / IRP certified nor audited, have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022. The financial statements / financial results / financial information of Oorja Resources India Pvt. Ltd, Mercator Offshore Logistics Pvt. Ltd. and Offshore Transport Pvt. Ltd. for the quarter ended June 30, 2021 which have neither been certified by the management nor have been audited / reviewed, have been considered for the purpose of preparation of Consolidated Financial Results basis the financial information available with the Holding Company for the quarter ended June 30, 2021. However, the said subsidiaries have not provided their financial statements / financial results / financial information for year ended March 31, 2022. In view of the same, the financial statements / financial results / financial information available for the period ended June 30, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022.Overseas Subsidiaries – Financial Statements / financial results / financial information of 4 nos. of Singapore subsidiaries i.e. Oorja 1 Pte. Ltd., Oorja Batua Pte. Ltd., Oorja Holdings Pte. Ltd. and Panther Resources Pte. Ltd. for the half year ended September 30, 2021, which are neither been certified by the management or liquidator nor audited / reviewed and the same has been considered as provided by the liquidators of Mercator International Pte. Ltd., Singapore for the purpose of preparation of Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2021. However, the said subsidiaries have not provided their financial Statements / financlial results / financial information for the year ended March 31, 2022. In view of the same, latest financial Statements / financial results / financial information available for the period ended September 30, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022. MCS Holdings Pte. Ltd. (In Liquidation) is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 16, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators of MCS Holdings Pte. Ltd. Financials Statements / financial results / financial information of MCS Holdings Pte Ltd. (MCS) (in liquidation) have not been provided to the Company by the liquidators of such subsidiaries. In view of this, financial Statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the year ended March 31, 2022. Mercator International Pte. Ltd. (In Liquidation) a material subsidiary of the Company at Singapore, currently under liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen

Sr. No.	Auditor's Observations	Company Reply
		(NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators of Mercator International Pte. Ltd. Financials Statements / financial results / financial information of Mercator International Pte Ltd. (MIPL) (in liquidation) have not been provided to the Company by the liquidators of such subsidiaries. In view of this, latest financial Statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the year ended March 31, 2022.
9	Regarding balance confirmations not been received in respect of any secured / unsecured loans, bank balance, trade receivables, trade and other payables, and loans and advances as a result of which reconciliation process and consequential adjustments, if any, has not been carried out. Further, in the view of the management / RP, all the balances outstanding to be receivable are to be considered as good and no additional provisioning on account of non – recoverability or expected credit loss is required. Further, bank statements of certain bank accounts are also not available. In the view of the non – availability of balance confirmation or documents substantiating balances, we are unable to comment on the impact of the same on the Financial Statements of the Company and compliance of relevant Ind-AS. Further, the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts as on March 31, 2022 are under reconciliation with the available regulatory records and any impact of the same is not known as on the date of Financial Statements.	Financials Statements / financial results / financial information of rest of the Singapore subsidiaries/step down subsidiaries have not been made available to the Company. In view of this, financial Statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the year ended March 31, 2022. Financial Statements / financial results / financial information of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the quarter and year ended March 31, 2022 have not been provided to the Parent Company and hence the latest unaudited financial Statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and year ended March 31, 2022. The Company has not been able to obtain any confirmations from various debtors, loans and advances from banks and others, current accounts from banks, trade and other payables. Further, the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts as on March 31, 2022 are under reconciliation with the available regulatory records and any impact of the same is not known as on the date of Financial Statements. This is due to limited resources available with the company. Accordingly, adjustments if any arising out of reconciliation with these parties is not readily available. The Company has carried out its internal assessment and accordingly provided/ written off/ back certain receivables/ payables/ loans and advances.
10	the Company has failed to pay the installment due of the debentures on the due date and failed to pay the interest due thereon for a continuous period of more than a year. Hence, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.	All of the directors on the Board of Directors of the Company are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
11	The Company has failed to obtain and provide relevant details supporting the disclosures in Note no. 3.44 of the Standalone Financial Statements. Hence, we are unable to comment on the completeness and the accuracy of the information stated.	Management has tried to give the said information as per the records and information available with the company.

CONSOLIDATED FINANCIAL STATEMENTS:

Sr. No.	Auditor's Observations	Company Reply
1	Regarding preparation of the financial statement on a going concern basis. The financing arrangements for the group have expired and the substantial amounts have been recalled and are due and payable as on March 31, 2022. Besides the NCLT has admitted the petition of the Financial Creditors vide its Order dated February 8, 2021 and proceedings under the IBC have been initiated on the Holding company. Further, certain cases have been filed by operational creditors and financial creditors in National Company Law Tribunal (NCLT) against certain material subsidiaries of which NCLT has admitted the application vide order dated August 31, 2020 and June 30, 2021 and an Interim Resolution Professional ("IRP") has been appointed on such subsidiaries. Also, we have been informed by the management / RP that a liquidator has been appointed for one material direct subsidiary effective April 9, 2021. The Group has been unable to conclude re-negotiations or obtain replacement financing for repayment of its overdue financing arrangements. The Group has accumulated losses and has incurred significant losses during the current period and previous financial year(s). The Group also has substantial disputed receivables, which are not readily realizable and the Group's net worth has also been fully eroded alongwith inability to meet its current liabilities which substantially exceeds its current assets. Further, the Resolution Plans which were submitted before the CoC for their consideration and voting, have failed to receive the requisite votes in terms of the provisions of the Code and accordingly, an application for liquidation has been filed in terms of section 33 of the Code, which is pending adjudication by the NCLT. As the Company is unable to meet it current liability and erosion of net worth and liquidation application filed by the RP, we conclude that the going concern assumption has been vitiated.	The management/RP of the Parent Company is of the view that they are making best efforts to achieve favourable order in ongoing litigations in order to protect the value of its assets and is making efforts to revive operations. Further, the Parent Company believes that the claims receivable for Rs. 15800 million at the group level could, if realised, provides a reasonable sufficient opportunity for the repayment of loans from lenders and provide required resources for the development of business opportunities for the revival. In view of the aforesaid details and pending outcome of the CIRP, the financial statements of the Parent Company have been prepared on going concern basis.
2	Regarding the balances restated in the books of accounts pursuant to admission of the claims submitted by the financial creditors of the Holding Company, of which as on March 31, 2022. As confirmed by RP, no claim is pending for verification with Resolution Professional (RP). We have relied on the adjustments made by the RP w.r.t. the claims received and are unable to comment on the adjustment, if any, arising on any pending claim or claim not received on the Consolidated Financial Statements of the Company.	As per the Code, the RP has to receive, collate, verify and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the COC. The impact of such claims, if any, that may arise has not been considered in the preparation of the audited financial results. Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on Insolvency Commencement Date ("ICD date") (Rs.9206.50 million). Total amount of claims towards principal dues of the financial creditors as on March 31, 2022 stand as under:a. Principal amount of Loans admitted by RP – Rs.9206.50 million b. Claims under verification by RP/Not filed – Nil

Sr. No.	Auditor's Observations	Company Reply
		Total Rs.9206.50 million* * In addition, Contingent Claims arising out of Corporate Guarantee issued by the Company, has been admitted by RP for Bank of Baroda (Principal amount of Rs. 992.60 million plus Interest amount of Rs. 334.0 million aggregating to Rs. 1326.60 million) and DBS Bank India Ltd. (Principal amount of Rs. 216.60 million and interest of Rs. 20.80 million aggregating to Rs. 237.40 million).
3	Regarding non-compliance of Regulation 33(3)(h) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherein at least 80% of each consolidated revenue, assets and profits respectively, shall be reviewed by the respective auditors. The Financial Statement of none of the subsidiaries have been audited as at and for the year ended March 31, 2022 and hence, we are unable to express any opinion on the subsidiary financial statements and thereby on the consolidated financial statements /financial information given the materiality of the subsidiaries. Status of financial information considered in preparing Consolidated Financial Statements is as under – 1 . Mercator Oil and Gas Limited (MOGL) – Not Available December'2021 2. Mercator Petroleum Limited (MPL) – Not Available Mar'2021 3. Oorja Resources India Private Limited – Not Available June'2021 4. Mercator Offshore Logistic Private Limited. (FPSO) (Formerly Mercator Dredging Private Limited) – Not Available June'2021 5. Mercator Oceantransport Limited – Not Available June'2021 6. Mercator International Pte. Limited – Management Certified March'2021 7. Offshore Holdings Company Pte. Limited – Not Available March'2021 8 Oorja Holdings Pte. Limited – Not Available Septemebr'2021 9. Mercator Energy Pte Limited – Under Liquidation June'2020 10. Mercator Offshore Assets Holding Pte Limited – Under Liquidation June'2020 11. Mercator Offshore (P) Pte Limited – Under Liquidation June'2020	In terms of Regulation 33(3)(h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall ensure that, for the purposes of consolidated financial statement, at least eighty percent of each of the consolidated revenue, assets and profits, respectively, shall have been subject to audit in case of audited results. The status of consolidation of financial statements of all subsidiaries of the Holding Company is as under: (a) In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) vide order of NCLT dated August 31, 2020, the financial statements / financial results / financial information of Mercator Petroleum Limited, one of the material subsidiaries of the Company for the year ended March 31, 2022 have not been made available to the Company by IRP of the said material subsidiary. In view of this, financial Statements / financial results / financial information available for the period ended March 31, 2021, which are also neither management / RP certified nor audited, have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022. (b) In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) vide order of NCLT dated June 30, 2021, unsigned unaudited financial statements / financial results / financial information of Mercator Oil and Gas Limited, one of the material subsidiary of the Company, for the nine months period ended December 31, 2021 have been made available to the Holding Company by IRP of the said material subsidiary and the same have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022. The said financial information has neither been audited/reviewed nor has been certified by the management/IRP. (c) The financial statements / financial results / financial information of Oorja Resources India Pvt. Ltd, Mercator Offshore Logistics Pvt. Ltd. and Offshore Transport Pvt. Ltd. for the quarter ended June 30, 2021, which have neither been certified by the management nor have been audited / reviewed, have been considered for the purpose of preparation of Consolidated Financial Results basis the financial information available with the Holding Company for the said period. However, the said subsidiaries have not provided their financial statements / financial results / financial information

Sr. No.	Auditor's Observations	Company Reply
	12. Panther Resources Pte Limited – Not Available September'2021 13. Oorja (Batua) Pte. Limited – Not Available September'2021 14. Oorja 1 Pte. Limited – Not Available September'2021 15. Oorja Mozambique Lda – No Financials Mar'2020 16 MCS Holdings Pte. Ltd. – Management Certified March'2021 17. PT Karya Putra Borneo – Not Available March'2021 18. PT Indo Perkasa – Not Available March'2021 19. Oorja Indo Petangis Four – Not Available December'2020 20. Oorja Indo Petangis Three – Not Available December'2020 21. Bima Gema Permata, PT – Not Available December'2020 22. Oorja Indo KGS – Not Available December'2020 23. Broadtec Mozambique Minas Lda – Not Available March'2020 24. Marvel Value International Limited (BVI) – Dissolved effective August'2020 Further, due to non – availability of the relevant financial information from the subsidiaries, certain reporting done in the statement of cash flow may not reflect the correct position.	for the year ended March 31, 2022 and in view of the same, the financial Statements / financial results / financial information available for the period ended June 30, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022. (d) The financial statements / financial results / financial information of 4 nos. of Singapore subsidiaries i.e. Oorja 1 Pte. Ltd., Oorja Batua Pte. Ltd., Oorja Holdings Pte. Ltd. and Panther Resources Pte. Ltd. for the half year ended September 30, 2021 have neither been certified by the management or liquidator nor have been audited / reviewed and the same have been considered as provided by the liquidators of Mercator International Pte. Ltd., Singapore for the purpose of preparation of Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2021. Further, the said subsidiaries have not provided their financial Statements / financial results / financial information for year ended March 31, 2022. In view of the same, the financial Statements / financial results / financial information available for the period ended September 30, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022. (e) MCS Holdings Pte. Ltd. (in Liquidation) is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 16, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators of MCS Holdings Pte. Ltd. Financials Statements / financial results / financial information of MCS Holdings Pte Ltd. (MCS) (in liquidation) have not been provided to the Company by the liquidators of such subsidiaries. In view of this, financial Statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the year ended March 31, 2022. (f) One of the financial lenders of the Wholly Owned Foreign Subsidiary had recalled loan in the month of May 2019 and further to that, have filed case in Singapore High Court for recovery of their outstanding dues. Mercator International Pte. Ltd. (in Liquidation),the said material subsidiary of the Company at Singapore, is currently under liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators of Mercator International Pte. Ltd. Financials Statements / financial results / financial information of Mercator International Pte Ltd. (MIPL) (in liquidation) have not been provided to the Company by the liquidators of such subsidiaries. In view of this, unaudited financial Statements / financial results / financial information available as on March 31, 2021 have been considered for the

Sr. No.	Auditor's Observations	Company Reply
		purpose of preparation of the Consolidated Financial Results of the Company for the year ended March 31, 2022. (g) Financials Statements / financial results / financial information of rest of the Singapore subsidiaries/step down subsidiaries have not been made available to the Company. In view of this, financial Statements / financial results / financial information available as on March 31, 2021 or last available have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the year ended March 31, 2022. (h) Audited / Reviewed or management certified Financial Results of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the quarter and year ended March 31, 2022 have not been provided to the Parent Company and hence the audited financial Statements / financial results / financial information available as on March 31, 2021 (last available) have been carried to March 31, 2022 for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022. As none of the audited / reviewed Financial Statement / financial results / financial information of the Subsidiaries were available as on March 31, 2022, the Company could not comply with the aforesaid regulations. Ind AS 110 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The Interim Resolution Professional (IRP) for the Indian Subsidiary Mercator Petroleum Limited and Resolution Professional (RP) for another Indian Subsidiary Mercator Oil and Gas Limited have been providing business updates from time to time. Lenders of Mercator Petroleum Limited are also a part of the CoC of the Company by virtue of the Corporate Guarantee issued by the Company while there is a common lender of Mercator Oil and Gas Limited and the Company. In view of the management, the required level of control is available with the Company with respect to the subsidiaries/step down subsidiaries in India and overseas.
4	Regarding interest or any other charges not being accrued in the books of accounts of the Holding Company from the date of commencement of CIR process, i.e. February 8, 2021 onwards.	Interest or any other charges has not been accrued in the books of accounts of Holding Company from the date of commencement of CIR process, i.e. 8th February, 2021 onwards, on account of moratorium under section 14 of Code.
5	Regarding the Group's investment carried at Fair Value through Profit and Loss Account pertaining to its coal mining and related infrastructure assets in Indonesia on which reduction in fair value of Rs. 245.60 million was recognized during the year ended March 31, 2021 basis an independent valuation report conducted on December 31, 2020. Further, we have been informed by the management / RP that a liquidator has been appointed on Mercator International Pte. Ltd. ("MIL") effective April 9, 2021 and no financial statements / financial results / financial	The step down Subsidiary Company had obtained valuation of coal mining and logistic company, taking cut off dated December 31, 2020 for the purpose of local reporting requirement, by an Independent Valuer which had been considered for the financial reporting as on March 31, 2021 as well. The Group had recognized impairment in fair value of such financial instrument amounting to Rs. 249.90 million (USD 3.40 Million) in earlier year. Such reduction was on account of sharp fall in coal prices, reduction in absolute realization of coal handling fees for one of major customer, cost of production and change in assumption of terminal value based on extension of mining license. The fair value as on March 31, 2022 can be substantially different in view

Sr. No.	Auditor's Observations	Company Reply
	information of MIL has been made available to the Parent Company. For certain step-down subsidiaries, limited financial information has been shared for inclusion in preparation of the consolidated financial results but proper details and bifurcations are not available to ensure eliminations. However, the management / RP of the Holding Company are confident that ML still maintains the control on MIL and the subsidiaries (held indirectly), as listed in Annexure A, as defined in Ind – AS 110 "Consolidated Financial Statements", and is being considered in preparation of the Consolidated Financial Results of the Parent Company basis the information available, as enlisted in para 3(c) above. In view of the non – availability about the updates on the above stated and other significant matters and financials statement / financial information, we are unable to comment on the impact on the fair valuation of these financial assets and consequently the financial results, had the valuation been done as on March 31, 2022. We are unable to comment on the impact of the liquidation of the intermediate subsidiary and the compliance of Ind – AS 110.	of the valuation factors and no updates are available as on the reporting date.
6	Regarding unprovided current tax demands under dispute, pertaining to Holding Company, to the tune of Rs. 867.50 million pending at various judicial forums of the Income Tax department. In the absence of the required supporting documents justifying the stand of the Holding Company we are unable to comment on final outcome of such contested statutory demands and the potential financial impact of the same.	Current Tax Assets (net) as on March 31, 2022 includes Rs. 691.90 million which has not been settled due to ongoing tax assessment for the various Assessment Years from AY 2003-04 to AY 2018-19 against which net tax demand of Rs. 631.80 million has been received and contested by the Company. The management is taking steps to resolve the cases with the income tax department.
7	Regarding termination of Sagar Samrat Conversion Project (SSCP), undertaken by a subsidiary Mercator Oil & Gas Ltd. (hereinafter referred as "MOGL" or "subsidiary"), by ONGC, which is currently under arbitration. The amount standing under Other Financial Assets is Rs. 2046.10 million. The amount of recoverability and ultimate impairment would depend on the outcome of the arbitration proceedings, which is uncertain as on the date of financial results.	MOGL was engaged in EPC project awarded by ONGC for conversion of their Mobile Offshore Drilling Unit (MODU) 'Sagar Samrat' into a Mobile Offshore Production Unit (MOPU). On September 25, 2018, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project after completing almost 96% of the project. MOGL has since initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed. The proceedings are underway. In addition to above, based on the order of Hon'ble Bombay High Court dated July 29, 2019, ONGC had invoked Bank Guarantee amounting to Rs.1421.90 million which had been accounted in the books of the accounts of MOGL in the previous year. Based on the progress of the arbitration proceedings and discussion with the legal counsel, the management is hopeful of a positive outcome in the claim of INR 19,470 million filed against ONGC. Accordingly, the Company made 50% impairment for an amount of Rs.7.10 million for the quarter ended March 31, 2022 (Rs. 28.60 million for the year

Sr. No.	Auditor's Observations	Company Reply
		ended March 31, 2022) towards accrued interest on loan given to MOGL.
8	Regarding one of the consortium partners in SSCP ('GPC') has filed a claim against MOGL in Abu Dhabi First Instance Court wherein the Court after review sought for work undertaken and change of assessment base, ordered MOGL to pay USD 5.7 million (equivalent Rs. 423.50 million) and interest @ 5% p.a. from the date of the case filed until actual payment. However, as informed by the management / RP of the Parent Company, MOGL had not accepted the claim and had recognized Rs. 229.70 million as contingent liability on the subject matter. Further, the petition filed in NCLT, Mumbai Bench by an operational creditor against MOGL has been admitted vide Order dated June 30, 2021 and an IRP has been appointed. However, the management / RP of the Parent Company are confident that ML still maintains the control on MOGL, as defined in Ind – AS 110 "Consolidated Financial Statements", and is being considered in preparation of the Consolidated Financial results of the Parent Company.	MOGL has an ongoing dispute with its consortium partner M/s Gulf Piping Co Ltd (GPC) and based on an order of the Abu Dhabi Court a final liability of USD 5.7Mn (Rs.423.50 million) along with interest at 5% interest p.a. is payable to them. GPC had obtained stay order from local UAE court restraining Abu Dhabi Commercial Bank (ACDB) from honouring Performance Guarantee. In relation to invocation of performance guarantee provided to GPC was decided by the Supreme Court of UAE and the Supreme Court Order was received in Arabic language. It was informed by the law firm which was associated with matter before commencement of CIRP) that the order in the matter of ACDB in relation to invocation of performance guarantee provided to GPC was in favour of MOGL and it was pending for translation to be received. The lender of MOGL is in the process of initiating a litigation for invocation of Bank Guarantee against ACDB.
9	The financial statements / financial information of MOGL included in preparation of Consolidated Financial Statements as on March 31, 2022, pertains to the period ended on December 31, 2021, which has been incorporated basis the latest information available with the management / RP of the Holding Company. Further these are not certified by the management / IRP of the MOGL. In view of the non – availability of the financials statement / financial information and updates on other matters as stated above, we are unable to comment on the potential financial impact of the same on the Consolidated Financial Results and compliance of Ind – AS 110.	Management has prepared consolidated financial statements based on the latest information made available by RP of MOGL.
10	Regarding notice received by a subsidiary company, Mercator Petroleum Limited (hereinafter referred to as "MPL"), from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per terms and conditions of PSC. In case MPL's stand is not accepted by MOPNG, the estimated financial impact on the group would be to the tune of Rs.358 million.	In October, 2019, MPL has received notice of termination from the Ministry of Petroleum and Natural Gas (MOPNG) in compliance with Production Sharing Contract (PSC) for its non-operative oil Block (CB-3) and also has demanded costs and other dues to be determined as per terms and conditions of PSC. The subsidiary is confident of defending the amounts claimed by Directorate General of Hydrocarbon (DGH). In event of rejection of subsidiary's contention, estimated financial impact would be approx. Rs.358 million.
11	Regarding the fact that, as per the explanations provided to us by the management / RP of the Holding Company, MPL has not been able to provide any valuation report with respect to fair value of oil block CB-9 on which reliance can be	The Board of Directors has approved strategic sale of participating interest in oil block CB-ONN-205/9 (CB-9) of MPL. The subsidiary company has executed Farm in Farm Out agreement dated December 26, 2019 with a prospective buyer at a sale price of Rs.2520 million. The Group has accordingly

Sr. No.	Auditor's Observations	Company Reply
	placed. Further, we have been informed by the management / RP that the petition filed in NCLT, Mumbai Bench by an operational creditor against MPL has been admitted vide Order dated August 31, 2020 and an Interim Resolution Professional (IRP) has been appointed and no financial statement / financial results / financial information of MPL is being made available to the Parent Company. However, the management / RP of the Holding Company are confident that ML still maintains the control on MPL, as defined in Ind – AS 110 "Consolidated Financial Statements", and is being considered in preparation of the Consolidated Financial results of the Parent Company.	considered the amount of Rs.250 million under capital work in progress as an Asset Held for Sale. MPL has executed an amendment to the original Farm in Farm Out agreement dated December 26, 2019 for extension of the long stop date to October 31, 2020. The Company is hopeful of concluding the sale within the further extended timelines, if and whenever agreed with the prospective buyer. The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against one of the material subsidiary of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order who has taken charge under the directions of the Committee of Creditors. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. Basis the latest available information with the management, the Request for Resolution Plans (RFRP) has been issued to the shortlisted Prospective Resolution Applicants (PRA) and they are required to submit their Resolution Plans in October 2021 as per the process laid down under the Code. Prospective Resolution Applicants (PRAs) have expressed their interest in the Oil Assets of MPL. The process of due diligence by these entities is currently going on. However, due to a pending litigation filed in NCLT by a financial creditor of the Parent Company and a consequent stay granted by NCLAT, the timelines under the Code stand extended.
12	The financial statements / financial information of MPL included in preparation of Consolidated Financial Statements as on March 31, 2022, pertains to the year ended March 31, 2021, which has been incorporated basis the latest information available with the management / RP of the Holding Company. Further these are not certified by the management / IRP of the MPL. In view of the non – availability of the financials statement / financial information and updates on other matters as stated above, we are unable to comment on the potential financial impact of the same on the Consolidated Financial Results and compliance of Ind – AS 110.	Management has prepared consolidated financial statements based on the latest information made available by RP of MPL.
13	The Holding Company has failed to pay the installment due of the debentures on the due date and failed to pay the interest due thereon for a continuous period of more than a year. Hence, all the directors of the Holding Company are disqualified from being appointed as director in terms of Section 164 (2) of the Act.	All of the directors on the Board of Directors of the Company are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
14	Regarding balance confirmations not been received in respect of various secured / unsecured loans, trade receivables, trade and other payables,	The Company has not been able to obtain any confirmations from various debtors, loans and advances from banks and others, current accounts from banks, trade and other payables. Further,

Sr. No.	Auditor's Observations	Company Reply
	and loans and advances for several entities of the group as a result of which reconciliation process and consequential adjustments, if any, has not been carried out in these entities. Further, in the view of the management / RP, all the balances outstanding to be receivable are to be considered as good and no additional provisioning on account of non – recoverability or expected credit loss is required. Further, bank statements of certain bank accounts are also not available. In the view of the non – availability of balance confirmation or documents substantiating balances, we are unable to comment on the impact of the same on the Consolidated Financial Statements of the Company and compliance of relevant Ind-AS. Further, the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts of Holding Company as on March 31, 2022 are under reconciliation with the available regulatory records and any impact of the same is not known as on the date of Financial Statements.	the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts as on March 31, 2022 are under reconciliation with the available regulatory records and any impact of the same is not known as on the date of Financial Statements. This is due to limited resources available with the company. Accordingly, adjustments if any arising out of reconciliation with these parties is not readily available. The Company has carried out its internal assessment and accordingly provided/ written off/ back certain receivables/ payables/ loans and advances.
15	Regarding non – compliance of Section 134 and 149 of the Companies Act 2013 in case of certain material subsidiaries.	In case of MPL, Independent Director, Chief Financial Officer and Company secretary had resigned during the year ended March 31, 2020. The management has not filled the said vacancy until date of reporting. In case of MOGL, Independent Director had resigned during the year ended March 31, 2020. The management has filled the said vacancy. Mr. Jagmohan Talan and Mrs. Ritu Vats were appointed as Additional Directors (Non-Executive & Independent) of the Company with effect from September 26, 2020. Further, Mr. H K Mittal resigned as a Director with effect from September 26, 2020 citing personal reasons.
16	Regarding non – availability of requisite information for preparation of segment reporting, Statement of Cash Flow and assumptions considered for eliminations.	Management has prepared consolidated financial statements based on the latest information made available by subsidiary Companies.
17	The Company has failed to obtain and provide relevant details supporting the disclosures in Note no. 3.46 of the Consolidated Financial Statements. Hence, we are unable to comment on the completeness and the accuracy of the information stated.	Management has not received audited / unaudited financial statements for the year ending March 31, 2022 from the subsidiaries. Hence it could not provide the relevant details supporting the disclosures in Note 3.46 of the Consolidated Financial Statements.

SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s. Dhruti Satia & Co., Company Secretaries as Secretarial Auditor of the Company for the financial year 2021-22 at the meeting of the RP & Directors held on February 11, 2022 and thereafter, ratified by the Committee of Creditors. The Company has obtained the Secretarial Audit Report for the financial year ended on March 31, 2022, from M/s. Dhruti Satia & Co., Company Secretaries which is appended as **Annexure III** and forms part of this report.

The unlisted material subsidiaries of the Company have not conducted their secretarial audit and hence the same has not been a part of the Annual Report.

ANNUAL SECRETARIAL COMPLIANCE REPORT:

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

MAINTAINENCE OF COST RECORDS:

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

INTERNAL AUDITOR:

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

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

During the financial year 2021-22, your Company was not under operations. However, the disclosures with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo are as below:

(A) **Conservation of Energy:** Being under CIRP, the Company is not into operations, hence, there is no applicability of this.

(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:** During the year under review, the Company has neither earned foreign exchange (previous year Rs. 137.52 million) nor spent (previous year: NIL) in foreign exchange, on account of import of stores & spares, capital goods, repairs / renovations of vessels, bunker, other vessel expenses, travelling and interests etc.

(D) **Expenditure Incurred on Research & Development:** During the year, the Company has not incurred any expenditure on research and development.

ANNUAL RETURN:

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

CORPORATE SOCIAL RESPONSIBILITY (CSR):

In compliance with regulations under the Act, CSR Committee was constituted and CSR policy had been adopted by the Company. However, since, the Company has been incurring losses in the previous 3 years, accordingly, during the year under review, the liability of the Company towards CSR was NIL. Therefore, in accordance with the applicable provisions of Section 135 of the Act read with rules thereunder, the reporting on CSR shall not be required.

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year; were on an arm's length basis and in the ordinary course of business. The requirement of giving particulars of contracts/arrangement made with related parties, in Form AOC-2 is 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. A statement giving details of all related party transactions is placed before the Audit Committee and the RP & 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 which was also revised w.e.f. April 01, 2022. The policy on Related Party Transactions as approved is available on the Company's website at www.mercator.co.in.

RISK MANAGEMENT POLICY:

The Company takes suitable steps to identify, evaluate business risks and opportunities and to mitigate the risk and the risk management approach at various levels including documentation and reporting.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

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

The Company has zero tolerance for sexual harassment at workplace and therefore has adopted a "Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace" in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 "POSH Act" and the Rules made thereunder. However, during the year under review, the Company had 2 employees including the Chief Financial Officer of the Company, hence, the provisions of the POSH Act, became ineffective and the requirement to constitute the Committee was not applicable to the Company. During the year under review, no complaint was registered under the said provision.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

i. In preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of loss of the Company for the year ended on that date;

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

iv. They have prepared the annual accounts for the financial year ended March 31, 2022 on a going concern basis;

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

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

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

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

TRANSFER OF SHARES TO INVEST OR EDUCATION AND PROTECTION FUND:

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

During the year under review, the Company has transferred 5,65,849 shares to the IEPF Authority, in respect of which dividend had not been paid or claimed by the members for seven consecutive years or more for the financial year 2013-14.

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

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

The Resolution Plans for the revival of the Company, were placed before the CoC for their consideration and voting, but the requisite votes in terms of the provisions of the Code was not received. Accordingly, an application for liquidation of the Corporate Debtor has been filed in terms of section 33 of the Code, which is pending adjudication by the Adjudicating Authority.

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

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

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

The Company has devised proper systems to ensure compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and the Company complies with all the applicable provisions of the same.

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board
For Mercator Limited

H. K. Mittal
Director
(DIN:00007690)

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

Taken on record by

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

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

Dated: August 9, 2022

Annexure I

Management Discussion & Analysis Report

Review of performance

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

The consolidated revenue from operations for FY2021-22 stood at Rs. NIL compared to Rs.3737.83 million in FY2020-21. The consolidated EBIDTA is Rs. 121.11 million against Rs. 527.74 million in the previous year. The consolidated loss before tax was Rs.206.64 million against previous year loss before tax of Rs. 3040.96 million. The loss after tax was Rs.195.39 million as against loss after tax of Rs. 3196.76 million in the previous year.

NCLT Updates:

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

The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the Code. Accordingly, an application for liquidation has been filed in terms of Section 33 of the Code, which is pending adjudication by the NCLT.

Debt status:

Total Debts at standalone levels and consolidated levels as on 31st March 2022 stands at Rs. 9429.19 million and Rs. 16413.30 million respectively. We have further deleveraged Long-term debts by selling the Floating Storage and Offloading Unit (FSO) 'Prem Pride' in the financial year 2019-20 on January 16, 2020 for Rs. 495.40 million and Vessel M. T. Hansa Prem on March 23, 2020 through an e-auction process for a consideration of USD 3.60 million plus taxes and in the financial year 2020-21, sold the Vessel M. T. Prem Mala vide Hon'ble Bombay High Court's order dated May 26, 2020, confirmed the sale of the Vessel under the auction process to the highest bidder at a consideration of Rs. 364 million.

As per the Code, the RP has to receive, collate and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the COC. The RP is still in the process of collating and verifying such claims, as and when they are received, and shall subsequently admit such verified claims against the Company as per the Code. Pending admission of the claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the audited financial statements. At the standalone level, Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on Insolvency Commencement Date ("ICD date") (Rs. 9206.5 million). Total amount of claims towards principal dues of the financial creditors as on March 31, 2022 stand as under:

a.	Principal amount of Loans admitted by RP	9206.5 Million
b.	Claims under verification by RP/Not filed	Nil
	Total	9206.5 million*

*In addition, Contingent Claims arising out of Corporate Guarantee issued by the Company, has been admitted by RP for Bank of Baroda (Principal amount of Rs. 992.6 million plus Interest amount of Rs. 334 million aggregating to Rs. 1326.6 million) and DBS Bank India Ltd. (Principal amount of Rs. 216.6 million and interest of Rs. 20.8 million aggregating to Rs. 237.4 million).

At the consolidated level, there are total claims of Rs. 15800 million as on date receivable by the Company which we believe that if realised, provide a reasonable sufficient opportunity for the repayment of loans from lenders and provide required resources for the development of business opportunities for the revival.

Global Economy

The global economy is climbing out from the depths to which it had plummeted during the Great Lockdown in April, 2020. But with the COVID-19 pandemic continuing to spread, many countries have slowed reopening and some are reinstating partial lockdowns to protect susceptible populations. While recovery in China has been faster than expected, the global economy's long ascent back to pre-pandemic levels of activity remains prone to setbacks.

Furthermore, during the second half of the financial year 2021-22, the situation across the World had been returning to normalcy gradually, which in turn witnessed minimal restrictions due to Covid-19. The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected last year. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

Indian Economy

India will not remain unscathed from the consequences of the ongoing conflict and economic repercussions through different channels are becoming evident as uncertainty levels continue to remain elevated. Given that India remains a net importer to meet its energy requirements, the sharp rise in crude prices represents a significant shock to India's macro-economic framework. Moreover, the impact on economy is expected to be more serious if the conflict prolongs. Even though India does not have a considerable trade exposure to Russia and despite the limited exposure through other channels, the prevalent terms of trade shock accompanied with supply side disruptions are likely to dampen India's growth prospects. Although the Economic Survey 2021-22 had put forth India's GDP growth forecast between 8.0 percent and 8.5 percent for 2022-23 earlier this year, risks to downsides have intensified since then. Inflation continues to be the most significant risk for India. Surging crude oil prices are likely to adversely impact India's macros - including GDP, inflation, current account, and Rupee. Increase in oil-prices coupled with the sharp fall in Rupee value is inflating India's import bill adding to the stress on current account. Inflationary pressures accentuated by worsening CAD will be major concern for India. Capital outflow will keep financial markets in India on the edge with higher liquidity pressures for Indian corporates. Foreign portfolio investors (FPIs) have remained net sellers in the Indian capital market for six consecutive months ending March 2022. Therefore, the key challenge at hand for India is to manage inflation and the Rupee. Furthermore, private consumption has been the weakest link in the course to recovery. Consumer sentiments have been tepid for most of 2021-22. With escalating inflation, the purchasing power is being further constricted, especially for the low & lower-middle income households - who account for a majority of the population in India and are primary drivers to aggregate consumption. Russia-Ukraine crisis has amplified the cost pressures being faced by producers. This will further postpone private investment as average capacity utilization remains below the level that could trigger new investments. Limited ability to pass on rising cost of inputs is eroding profitability of businesses. The cost escalation may hit the cash flow going ahead and is weighing heavy on their capex plans. Moreover, exports that were providing a cushion to the loss of domestic output are likely to be subdued as the developed countries are also witnessing a slowdown and have been moving towards withdrawal of fiscal stimulus. Private demand and investment should be the focus in 2022-23 to steer growth.

Dredging

Indian Ports & Dredging Industry

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

At present, the Dredging Corporation of India (DCI) and a limited set of private vendors serve the Indian dredging market, limiting competition. The picture looks gloomier after the sale of entire equity of the government in Dredging Corporation of India (DCI). As much as 76 per cent of the Rs. 7000 million maintenance dredging market at India's state-run major Port Trusts is now out of bounds for private dredging contractors after a consortium of four port trusts- Visakhapatnam, Deendayal, Paradip and Jawaharlal Nehru- bought Centre's 74.44 percent stake in the Dredging Corporation of India Ltd (DCI). This is because the four port trusts as the new owners of DCI are likely to favour giving maintenance dredging contracts to DCI on nomination basis (without a tender) at their own ports. Private dredging contractors will be left with nothing if the four port trusts influence the other seven port trusts and one state-run corporate port (Kamarajar Port) to opt for the nomination route to award contracts. Foreign players will be attracted to the market if the government promoted measures such as consolidating dredging contracts across cohorts of ports and withdrawing, at least temporarily, the right to first refusal given to Indian vendors. To enable major ports to handle large vessels, the government has already made an action plan to increase the draft depth of ports. Most major ports have already achieved a draft depth of 14 metres or more except Kolkata Port, where deeper draft has not been feasible because of the riverine nature of the port. Some major ports are striving to achieve deeper drafts up to 18 metres. The outer harbour in Visakhapatnam has very deep draft of more than 18 metres. Work is in progress to create a draft of more than 18 metres in Mormugao and Kamarajar Port.

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

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

Therefore, Indian ports are working towards the development of the basic infrastructure such as mechanization and the creation of more berths and deepening of channels, which will offer strong demand for the dredging operations. Moreover, the development of greenfield ports would also propel the demand for dredging in India. As per the Ministry of Shipping (MoS), in the next few years, most of the key ports would increase their capacity to accommodate bigger ships. Apart from these, the increasing need for new developments from Navy, offshore exploration, and national waterways, the scope of the Indian dredging industry seems vast.

Operational Highlights

The revenue of the division was NIL during FY 2021-22 as compared to Rs. 6.85 cr in last financial year.

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

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

An injunction order against Dredging Corporation of India (DCI) in the matter of execution/enforcement order was passed by Hon'ble Delhi High Court in April 2019 followed by directions in the last hearing held on October 31, 2019 to DCI to deposit the entire award amount (for Rs. 480 million) along with up to date interest with the Court within 6 weeks. The petition on the execution order in the DCI matter is scheduled for final hearing and the same has been getting adjourned due to the pandemic.

Shipping

Global Shipping Industry

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

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

Because of its inherently international nature, the safety of shipping is regulated by various United Nations agencies. The International Maritime Organization (IMO) in particular has developed a comprehensive framework of global maritime safety regulations, which are enforced on a worldwide basis. IMO regulations to reduce sulphur oxides (SOx) emissions from ships first came into force in 2005, under Annex VI of the International Convention for the Prevention of Pollution from Ships (known as the MARPOL Convention). Since then, the limits on sulphur oxides have been progressively tightened. From January 01, 2020, the limit for sulphur in fuel oil used on board ships operating outside designated emission control areas is reduced to 0.50% m/m (mass by mass). This will significantly reduce the amount of sulphur oxides emanating from ships and should have major health and environmental benefits for the world, particularly for populations living close to ports and coasts.

The global shipping container market reached a value of US$ 9.5 billion in 2021. Looking forward, the market is projected to reach US$ 15.3 billion by 2027, exhibiting a CAGR of 8.12% during 2022-2027. The market is expected to reach $10.73 billion in 2025 at a CAGR of 6.46%. The global maritime freight transport segment is expected to exhibit a growth of about 4% during the forecast period. The traditional port world is changing as the demographical, technological, and sustainability drivers are affecting the daily business and shaping several important trends. The global shipping industry is expected to face a number of challenges including geopolitical uncertainties, such as the US-China trade negotiations and Brexit. China has a strong influence on the shipping sector since it is a major trade partner for several countries. Although, the container shipping market in China is facing some early year disruption due to COVID-19. Even though the bunker prices have been increased about 35-45% from January 2020, largely due to changes in fuel regulation on the usage of Low Sulphur Fuel by IMO 2020, the crash in the oil prices due to COVID-19 have nullified this effect. Tanker rates have profited tremendously from high demand for floating storage, but the charter rates are expected to return closer to long-run averages in the second half of the year as broad economic weakness finds its way into the tanker market.

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

The Asia Pacific region consists of some of the fastest-growing economies in the world like China and India. This growth in the maritime transportation sector is supported by the trade exchanges by these countries of which, the majority of international trade takes place via sea routes. The central role of Asia in global trade and shipping is also highlighted by trends in global container port-handling activities. Asian countries are experiencing a large increase in intra-regional trade mostly based on manufacturing trades and reflecting fragmented production processes where parts are generally manufactured in multiple locations across Asia and assembled in another location. This is also expected to increase trade, supported by marine transportation. Demand growth originated mostly in Asia, bolstered by ongoing energy policy shifts and rising export capacity in Australia and the United States.

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

Indian Shipping Industry

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

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

India’s key ports had a capacity of 1,561 million tonnes per annum (MTPA) in FY21. In FY22 (until February) 2022, all key ports in India handled 650.52 million tonnes (MT) of cargo traffic. India's merchandise exports in FY22 were at US$ 417.8 billion, up 40% from the previous year. In October 2021, India’s merchandise exports grew 43.05% YoY to reach US$ 33.65 billion. The Government has taken several measures to improve operational efficiency through mechanisation, deepening the draft and speedy evacuations.

Investments/Developments

- India has plans to invest US$ 82 billion in port projects by 2035.
- Indian ports received cumulative FDI inflow worth US$ 1.63 billion between April 2000 and June 2021.
- In October 2021, the Syama Prasad Mookerjee Port, Kolkata, gave importers the opportunity to bring in vessels at the deep drafted anchorages located at Sagar, Sandheads and X Point.
- In October 2021, Adani Group announced that it wants to make Adani Port a net-zero carbon emitter by 2025 and power all its data centres with renewable energy by 2030.
- Jawaharlal Nehru Port Trust (JNPT) Special Economic Zone (SEZ) became the first of its kind operational port-based multi-product SEZ in India.
- The Competition Commission of India (CCI) approved Adani Ports and Special Economic Zone's proposed acquisition of 10.40% equity investment in Gangavaram Port in September 2021. The 10.4% equity shareholding will be bought from the government of Andhra Pradesh.
- APSEZ (Adani Ports and Special Economic Zone) plans to become the world's largest private port company by 2030 and carbon neutral by 2025.
- In July 2021, Adani Ports & Special Economic Zone stated that it has priced a US$ 750 million senior unsecured dollar notes issuance with 20-year and 10.5-year

tranches, with fixed coupons of 5.0% and 3.8%, respectively.

- In June 2021, Adani Ports and Special Economic Zone Ltd (APSEZ) handled cargo volume of 75.69 MMT, registering a YoY growth of 83%, in the first quarter of FY 2021-22.
- In July 2021, India's merchandise exports reached US$ 95 billion in the three months ended June.

Government Initiatives

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

- In December 2021, India and Russia are talking about collaborating on shipbuilding and inland waterways.
- In November 2021, the Union Minister for Ports, Shipping and Waterways & Ayush, Mr. Sarbananda Sonowal, inaugurated the new Radars and Vessel Traffic Management System of Cochin Port Trust. The VTMS (Vessel Traffic Management System) commissioned in Cochin Port in 2009 has been upgraded with a state-of-the-art system consisting two new radars, one AIS Base station, three VHF Radios and associated software & hardware installed at a cost of Rs. 58 million (US$ 772,161.66).
- In November 2021, Union Minister for Ports, Shipping & Waterways and Ayush, Mr. Sarbananda Sonowal, inaugurated the simultaneous launching of five vessels at Cochin Shipyard Limited (CSL).
- In November 2021, the Union Minister of Culture and Tourism, Mr. G Kishan Reddy, announced that the centre has sanctioned Rs. 1000 million (US$ 13.31 million) for the Visakhapatnam port cruise terminal.
- The Draft Indian Ports Bill 2021, which was circulated in July 2021, aims to centralise the administration of minor ports that are currently managed by state governments.
- The Inland Vessels Bill 2021 was approved by the Lok Sabha in July 2021. Instead of distinct regulations created by the states, the bill attempts to include a single legislation for the country. The registration certificate issued under the new law will be valid throughout the country and state approvals will not be necessary. The bill also establishes a single database for recording vessel and crew information on an Internet portal.
- In July 2021, the Marine Aids to Navigation Bill 2021 was passed by the Parliament, incorporating global best practices, technological developments and India's international obligations in this field.
- In June 2021, the Gujarat government provided approval to build a new jetty worth an estimated Rs. 1920 million (US$ 25.77 million) at Navlakhi port which has been in operation since 1939.
- In June 2021, the Ministry of Ports, Shipping and Waterways and Ministry of Culture sign an MoU for cooperation in development of National Maritime Heritage Complex at Lothal, Gujarat
- In June 2021, the Ministry of Ports, Shipping and Waterways and Ministry of Civil Aviation signed a memorandum of understanding (MoU) to develop sea plane services in India.
- On May 10, 2021, JNPT and New Mangalore Port handled 120 tonnes of medical oxygen on a priority basis owing to the COVID-19 pandemic.
- India is expected to begin full operations in Iran's Chabahar Port by the end of May 2021. India is building two terminals at the port and will operate them for 10 years
- In Union Budget 2020-21, the total allocation for the Ministry of Shipping was Rs. 17023.5 million (US$ 233.48 million).
- The key ports are expected to deliver seven projects worth more than Rs. 20000 million (US$ 274.31 million) on a public-private partnership basis in FY22. Private sector investments in ports have steadily increased over the last five years, touching an all-time high of US$ 2.35 billion by 2020.
- The Finance Minister proposed to double the ship recycling capacity of ~4.5 million light displacement tonnes (LDT) by 2024; this is expected to generate an additional ~1.5 lakh employment opportunities in India.
- In Union Budget 2021, the government announced subsidy funding worth Rs. 16240 million (US$ 222.74 million) to Indian shipping companies to encourage merchant ship flagging in the country.
- In February 2021, the Major Port Authorities Bill, 2020 was passed by the Parliament of India. The bill aims to decentralise decision-making and reinforce excellence in major port governance.

Road Ahead

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

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

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

As part of the Sagarmala project, more than 574 projects worth Rs. 60 lakh million (US$ 82 billion) have been planned for implementation between 2015 and 2035.

In Maritime India Summit 2021, the Ministry of Ports, Shipping and Waterways identified a total of 400 projects worth Rs. 22.5 lakh million (US$ 31 billion) investment potential.

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

Operational Highlights

The shipping segment for both FY 2021-22 and FY 2020-21 recorded revenues of Rs. Nil, on account of the Company not having any tonnage in the year under review. There has been a sale/auction of all the ships in standalone business, the proceeds of which has been used for reducing Debts and liabilities.

A lender had arrested the Vessel M. T. Prem Mala (Built 2000) in persuasion to Event of Default recognized under Debenture Trust Deed Dated March 26, 2018. The Hon'ble Bombay High Court vide its order dated May 26, 2020, confirmed the sale of the Vessel under the auction process to the highest bidder at a consideration of Rs. 364 million. The said vessel has been handed over by the court appointed Sheriff to the Buyers on July 13, 2020. The sale proceeds of Rs. 364 million as deposited by the buyer in court has been appropriated vide order dated 5-5-2021. On account of short provision for expenses which related to Prem Mala, further expenses towards port charges for Rs. 9.7 million were expensed out in financial year 2020-21.

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

Oil & Gas

Global Oil & Gas Industry

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

Global oil demand is set to surpass pre-pandemic levels in 2022 as fears over the latest coronavirus wave subside, creating the potential for another "volatile" year of oil prices, the International Energy Agency said.

In its monthly oil market report, the IEA raised its demand estimates by 200,000 b/d for both 2021 and 2022, to reflect clear signs that impact on economic activity and oil demand from the omicron variant remained "relatively subdued."

World oil demand was seen rising by 5.5 million b/d in 2021 and by 3.3 million b/d in 2022, the IEA said, surpassing its pre-pandemic levels by 200,000 b/d to 99.7 million b/d.

During the fourth quarter of 2021, the IEA said global demand "defied expectations" rising by 1.1 million b/d to 99 million b/d, an upward revision of 345,000 b/d compared to its previous report.

"If demand continues to grow strongly or supply disappoints, the low level of stocks and shrinking spare capacity mean that oil markets could be in for another volatile year in 2022." the IEA said.

The IEA's latest report comes as oil prices hit fresh seven-year highs at over $88/b, supported by a growing consensus that oil demand and supply balances are tightening this year, with some market watchers predicting Brent futures will hit $100/b later in the year.

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

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

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

Indian Oil and Gas Industry

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

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

India is expected to be one of the largest contributors to non-OECD petroleum consumption growth globally. Crude oil imports rose sharply to US$ 94.3 billion in FY22 (April to January) from US$ 70.72 billion in FY17. As of September 01, 2021, India's oil refining capacity stood at 248.9 million metric tonnes per annum (MMTPA), making it the second-largest refiner in Asia. Private companies owned about 35% of the total refining capacity. IOC is the largest domestic refiner, with a capacity of 69.7 MMTPA. India's crude oil production in FY22 till January stood at 32.2 MMT. India's consumption of oil products stood at 201.26 MMT in 2021, a 3.7% YoY increase. India's oil consumption stood at almost 4.9 million barrels per day (BPD) in 2021, up from 4.65 million BPD in 2020. India's LNG import stood at 7.9 billion cubic meters (BCM) between October-December 2021. The import for the entire year stood at 24.46 BCM. India is the fourth-largest LNG importer in the world. According to the International Energy Agency (IEA), consumption of natural gas in India is expected to grow by 25 BCM, registering an average annual growth of 9% until 2024. According to the IEA, India's medium-term outlook for natural gas consumption remains solid due to rising infrastructure and supportive environment policies. Industrial consumers are expected to account for 40% of India's net demand growth. The demand is also expected to be driven by sectors such as residential, transport and energy. Exports of petroleum products from India reached 56.8 MMT worth US$ 21.41 billion in FY21. As of June 31, 2021, Gas Authority of India Ltd. (GAIL) had the largest share (57.56% or 18,834 kms) of the country's natural gas pipeline network (32,718 kms).

According to the data released by Department for Promotion of Industry and Internal Trade Policy (DPIIT), FDI inflows in India's petroleum and natural gas sector stood at US$ 7.98 billion between April 2000-December 2021.

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

- In January 2022, Indian Oil Corp. Ltd. (IOCL) announced plans to expand its city gas distribution (CGD) business, looking to invest Rs. 70000 million (US$ 918.6 million).
- In January 2022, Adani Total Gas Ltd (ATGL), a joint venture between the Adani Group and Total Energies, won licenses to expand its City Gas Distribution (CGD) network to 14 new geographical areas with an investment of Rs. 200000 million (US$ 2.62 billion).
- In November 2021, Oil and Natural Gas Corp. Ltd (ONGC) announced that it invested up to Rs. 60000 million (US$ 800 million) in the petrochemicals arm—ONGC Petro Additions Ltd. (OPaL)—to meet its equity requirements.
- In November 2021, Indian Oil, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited have announced the launch of Model Retail Outlet Scheme and a Digital Customer Feedback Programme called Darpan@petrolpump. These three oil PSUs have joined hands to launch model retail outlets to enhance service standards and amenities across their networks, which serve over 60 million consumers every day.
- In September 2021, Indraprastha Gas Limited (IGL) signed a memorandum of understanding with South Delhi Municipal Corporation (SDMC) to build a waste to energy plant in Delhi to fuel vehicles.
- In September 2021, Bharat Petroleum Corporation Ltd. (BPCL) announced its plan to invest over Rs. 10 lakh million (US$ 13.66 billion), over a period of five years, to enhance petrochemical capacity and improve refining efficiency, gas proliferation, upstream oil & gas exploration and production and augment the (fuel) marketing infrastructure
- In August 2021, Indian Oil Corp (IOC) announced an investment of Rs. 10 lakh million (US$ 13.12 billion) to raise its refining capacity by almost a third over the next 4-5 years.
- India aims to commercialise 50% of its SPR (strategic petroleum reserves) to raise funds and build additional storage tanks to offset high oil prices.
- In July 2021, Great Eastern Energy Corporation Limited (GEECL) announced plans to invest Rs. 150000 million (US$ 1.96 billion) for shale gas core well exploration in West Bengal.
- In July 2021, IndianOil Petronas Pvt. Ltd. announced its plan to establish a new brand for auto fuels retailing in India to further expand its business operations in the country.
- In July 2021, Indian Oil Corporation (IOC) announced to establish India's first green hydrogen plant at Mathura refinery to introduce green hydrogen activities and projects in the oil and gas sector in the country.
- In July 2021, ONGC announced that it will spend Rs. 300 billion (US$ 4.03 billion) in FY22 to boost its oil & gas output.
- To expand beyond the natural gas business, in July 2021, GAIL (India) Ltd. announced investment of Rs. 50000 million (US$ 670.18 million) to establish a portfolio of renewable energy targeting a capacity of at least 1 gigawatts and build plants for both compressed biogas and ethanol.
- In July 2021, Bharat Petroleum Corporation Ltd. (BPCL) announced plan to establish its first-generation ethanol production plant in Telangana at an estimated investment of Rs. 10000 million (US$ 134.04 million).
- In July 2021, ONGC, an upstream oil company, and NTPC announced plans to expand the offshore wind energy development in India and accelerate presence in the renewable energy space.

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

- In the Union Budget 2022-23, the customs duty on certain critical chemicals such as methanol, acetic acid and heavy feed stocks for petroleum refining were reduced.
- In February 2022, Minister of Petroleum & Natural Gas, Mr. Hardeep Singh Puri, said that India will more than double its exploration area of oil and gas to 0.5 million sq. km. by 2025 and to 1 million sq. km. by 2030 with a view to increase domestic output.
- In November 2021, India announced that it will release 5 million barrels of crude oil from its strategic petroleum reserves in a concerted effort to bring down global crude oil prices. This is roughly equivalent to a day's consumption in the country.

- In November 2021, the government set up a committee to work out measures needed to make natural gas available to power plants at reasonably stable prices.
- In October 2021, the Union Ministry of Petroleum & Natural Gas approved a revised project cost of Rs. 2802620 million (US$ 3.8 billion) to increase refining capacity–for the ongoing Numaligarh Refinery Expansion Project–from 3 to 9 MMTPA.
- In September 2021, the Indian government approved oil and gas projects worth Rs. 10 lakh million (US$ 13.46 billion) in Northeast India. These projects are expected to be completed by 2025.
- In September 2021, India and the US agreed to expand their energy collaboration by focusing on emerging fuels. This was followed by a ministerial conference of the US-India Strategic Clean Energy Partnership (SCEP).
- In July 2021, the Department for Promotion of Industry and Internal Trade (DPIIT) approved an order allowing 100% foreign direct investments (FDIs) under automatic route for oil and gas PSUs.
- In July 2021, the Minister for Road Transport and Highways, Mr. Nitin Gadkari inaugurated India's first liquefied natural gas (LNG) facility plant in Nagpur, Maharashtra.
- In July 2021, India diversified procurement for crude by announcing its first shipment from Guyana. This move also indicates a future roadmap for extended alliance with Guyana in the oil & gas sector.
- In June 2021, the government announced that it will auction unmonetised large oil and gas fields of state-owned ONGC and OIL to boost hydrocarbon production.
- In February 2021, the government launched key oil & gas projects in Assam, such as INDMAX Unit at Indian Oil's Bongaigaon Refinery, Oil India Limited's secondary tank farm at Madhuban, Dibrugarh and a 'Gas Compressor Station' at Hebeda Village, Makum.
- In February 2021, the government launched key oil and gas projects such as the Ramanathapuram – Thoothukudi natural gas pipeline and Gasoline Desulphurisation Unit at Chennai Petroleum Corporation Limited, Manali.
- The Government is planning to set up around 5,000 compressed biogas (CBG) plants by 2023.

Road Ahead

India is planning to double its refining capacity to 450-500 million tonnes by 2030. Energy demand of India is anticipated to grow faster than energy demand of all major economies on the back of continuous robust economic growth. India's energy demand is expected to double to 1,516 Mtoe by 2035 from 753.7 Mtoe in 2017. Moreover, the country's share in global primary energy consumption is projected to increase to two-fold by 2035. Crude oil consumption is expected to grow at a CAGR of 4.66% to 500 MMTPA by 2040 from 201.26 million tonnes in 2021. India's oil demand is projected to rise at the fastest pace in the world to reach 10 million barrels per day by 2030, from 4.9 million barrels per day in 2021.

Natural Gas consumption is forecast to increase at a CAGR of 12.2% to 550 MCMPD by 2030 from 174 MCMPD in 2021. Diesel demand in India is expected to double to 163 MMTPA by 2029-30, with diesel and gasoline covering 58% of India's oil demand by 2045. India is set to expand India's natural gas grid to 34,500 kms by adding another 17,000 km gas pipeline. The regasification capacity of the existing 42 MMT per annum will be expanded to 61 MMT per year by the year 2022.

Operational Highlights

The Company owns two onshore oil blocks in Gujarat's Cambay basin. Production Sharing Contract (PSC) for the Block CB-ONN-2005/3 has been terminated by Ministry of Petroleum and Natural Gas vide their letter dated October 24, 2019 since there was no oil discovery in the said Block. However, PSC for the producing Block CB-ONN-2005/9 (CB9) remains in force. The CB9 block have high-quality crude reserves and are in close proximity to refineries. Minutes of Meeting (MoM) of the 5th Expert Appraisal Committee (EAC) for the Environmental Clearance (EC) presentation held on March 27, 2019 were issued of April 03, 2019 recommending grant of EC for Development of PML area of the Block CB-ONN-2005/9. Work over rig was deployed at Jyoti-2 from March 25, 2019 to May 07, 2019 for cement repairs but the operations had to be terminated because of technical problems. The well Jyoti-1 was also closed because of non-grant of (EC) which has since been granted on January 07, 2020. Management Committee has approved completion of Minimum Work Program (MWP) of Exploration Phase-I which is a pre-requisite for transfer of PI. Formal communication to this effect is awaited.

The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against the material subsidiary of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stand suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions.

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

During the financial year 2019-20, MPL made efforts to Farm-out (in full or in part) its Participating Interest (PI) in the Block CB-ONN-2005/9. To this effect, MPL signed a Sale Purchase Agreement (SPA) with an identified buyer on December 26, 2019. Further, Deed of Assignment for transfer of 100% PI was signed on January 14, 2020.

Application for transfer of PI along with requisite documents has been submitted to Director General of Hydrocarbon (DGH) for approval and the same was being reviewed by them. We had signed an addendum to extend the completion date to August 31, 2020 and further extending the long stop date to October 31, 2020. In terms of the update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had floated an Expression of Interest and had received interest from Public and Private Players in the process. Basis the latest available information with the management, the Request for Resolution Plans (RFRP) has been issued to the shortlisted Prospective Resolution Applicants (PRA) and they are required to submit their Resolution Plans in October 2021 as per the process laid down under the Code. Prospective Resolution Applicants (PRAs) have expressed their interest in the Oil Assets of MPL. The process of due diligence by these entities is currently going on. However, due to a pending litigation filed in NCLT by a financial creditor of the Parent Company and a consequent stay granted by NCLAT, the timelines under the Code stand extended.

EPC contract/Sagar Samrat:

Mercator Oil & Gas Limited (MOGL) and Mercator Offshore (P) Pte. Limited (collectively 'Mercator Oil & Gas') were engaged in the execution of an EPC contract involving conversion of Sagar Samrat, a mobile offshore drilling unit into a mobile offshore production unit for ONGC. The said contract was awarded to a consortium comprising of Mercator Oil & Gas and Gulf Piping Co. WLL (GPC), a shipyard based out of Abu Dhabi. On September 25, 2018, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project giving the consortium 14 days cure period as per the contract. At the same time ONGC proceeded to encash the bank guarantees. MOGL had then challenged the invocation of Bank Guarantees and was granted a stay by Hon'ble Single Member Bench (SMB) of the Bombay High Court. Appeal in the Arbitration Petition before division bench of Hon'ble Bombay High Court in MOGL (a 100% subsidiary of the Company) was dismissed vide order in July-2019; By virtue of the above order, ONGC invoked bank guarantees worth Rs. 1421.90 million. This had increased the debt of MOGL by an equivalent amount. Parallely, on December 15, 2018, MOGL initiated arbitration proceedings against ONGC, raising claims of US$ 173 million against ONGC on account of the following:

i. Certified work but not invoiced

ii. Works completed and invoiced but unpaid

iii. Unpaid and/or unapproved variations

iv. Wrongful deduction of liquidated damages

v. New Taxes

vi. Wrongful invocation of the Bank Guarantees

vii. Damages at large

viii. Wrongful termination

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

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

A financial creditor has incurred legal costs aggregating Rs. 56.9 million in the year ended March 31, 2021 on behalf of MOGL in relation to the ongoing arbitration in the SSCP matter. The same has been expenses out in MOGL towards Legal Costs in the FY 2020-21. MOGL is also in advanced stages of discussions with overseas funds to fund litigation for Sagar Samrat Arbitration matter and encashment of the counter bank guarantees given by GPC for any shortfall of amount sanctioned by the financial creditor and/or further expenses that may be needed for execution of the award.

Coal

Global Coal Industry

The first quarter of 2022 has been a real rollercoaster for the coal industry. On one hand, there have been lingering positive effects from the strong coal demand that highlighted the end of 2021 – some regions recorded significant upticks in demand, fuelled by the global economic recovery from COVID-19 as well as seasonal impacts on energy supplies. While on the other hand, having been brought to the boil by the 2021 United Nations Climate Change Conference (COP26), concerns about climate change continue to be a hot topic of discussion. Now as we move deeper into spring and 2022, further twists and turns are presenting themselves.

According to Rystad Energy, coal prices soared this March, to the extent that 200 year highs have been surpassed – data shows that prices reached US$462/t on 10 March 2022, up from US$186/t on 23 February 2022, with Rystad research suggesting that the US$500/t threshold could be crossed later this year. Of course, the primary cause of this increase has been the war in Ukraine and the subsequent imposition of "unprecedented" economic sanctions on Russia, which have thrown the global energy market into chaos. The implications of price increases across the energy industry have led to many serious questions being asked, with debates such as 'climate ambitions vs keeping the lights on' taking centre stage.

The necessity of meeting energy demand in the face of widespread shortages has, at least in the short-term, swung the winds of change strongly in favour of the coal industry.

As Al Jazeera reported on 25 March, "though Western sanctions have not yet directly targeted Russian oil, coal or gas, the European Union (EU) has announced plans to end its energy reliance on Russia". This decision by the EU to sever its ties with Russian-produced energy on a short timeline created a large energy supply void that needed to be filled in a hurry: enter coal.

While natural gas, largely in the form of LNG, has picked up a lot of the slack in European energy supply – the EU just recently signed an agreement with the US for 15 billion m3 of LNG to be supplied by the end of 20224 – coal has also had an important part to play. According to The Wall Street Journal (TWSJ), shortly after Russian troops crossed the Ukrainian border, several European countries, including Poland, Italy and Germany, were already making plans for coal to replace supplies that had previously been sourced from Russia. As noted by TWSJ, one of the biggest advantages of coal over gas in this instance is the ability of power plants to switch from natural gas to coal at short notice. While it can take time for LNG to be sourced and delivered, coal-power offers a solution that can be implemented post-haste.

From a broad perspective of recent events, this latest European energy crisis can be viewed as a microcosm of the global energy transition at large. The switch from one energy source to another, be it fossil fuels to renewables or Russian pipeline gas to US LNG, cannot be achieved overnight; a transition period is essential. This once again illustrates coal's value as a transition fuel. Almost inevitably, one day other sources of energy, likely renewable, will take over the task of meeting the world's ever-increasing demands for energy from fossil fuels. However, that day is far away from today.

Indonesia's coal production industry

The Indonesian coal market is expected to witness a CAGR of more than 5.3% during the forecast period, 2022-2027. The COVID-19 pandemic caused global energy to decline significantly due to the closure of commercial and industrial facilities. Indonesia, a major exporter of coal, saw coal exports hitting their lowest levels since October 2010 due to a decline in the demand caused by the pandemic. Factors such as an increase in demand for electricity, supportive government regulations, and the presence of large coal reserves are driving the market in Indonesia. However, the growth of alternative sources of energy such as natural gas and renewables for power generation, the environmental impacts of coal, and the effect of COVID-19 on coal exports are likely to restrain the growth of the Indonesian coal market during the forecast period.

- The electricity industry is likely to aid in the growth of the Indonesia Coal Market during the forecast period owing to the significant reliance on coal-based electricity generation.

- Although coal is one of the most polluting fossil fuels, the Indonesian Government shows no sign of weaning itself off from this fossil fuel. The country is exploring ways to keep consuming and extracting value from coal by using carbon capture and storage technology and the production of dimethyl ether from coal which will present opportunities in the future.

- The increasing adoption of renewable energy-based power plants is likely to restrain the Indonesian coal market during the forecast period.

Electricity Industry to Dominate the Market

- Indonesia holds 3.2% of the global coal reserve, with about 34,869 million tons of coal reserves based on 2020 statistics. As of 2020, 66% of Indonesia's total coal reserves consisted of Anthracite and Bituminous coal, and the rest, 34%, consists of sub-bituminous coal and lignite.

- Power stations that burn coal for electricity only prefer to buy a fuel that is energy-efficient, cheap, and lower sulfur content as part of the strategy to reduce greenhouse gas emissions. Indonesian coal production is skewed towards lower energy and cheaper sub-bituminous coal. In 2020, about half of the total electricity production in Indonesia was made through coal.

- Indonesia's economy has been booming over the past years, and as a result, the demand and consumption for electricity have been increasing too due to increasing urbanization and an increasing number of commercial and industrial facilities requiring greater access to electricity.

- Indonesia's electricity generation rose to 275.2 TWh in 2020 and is expected to increase further in the coming years. Since Indonesia relies on coal-based power generation significantly, the electricity industry is likely to drive the coal market in the country.

- Even though the Indonesian government plans to stop building new coal power plants from 2023, the already approved power plants will be built and will aid in the growth coal market.

Increasing Adoption of Renewable Energy to Restrain the Market

- The Indonesian government set a renewable energy target of 23% and 31% of the total electricity generation by 2025 and 2050, respectively. Currently, around 13% of power generation nationwide comes from renewable energy resources, mainly hydroelectric and geothermal power production.

- Indonesia is rich in solar power, with a potential of around 207 GW, according to the Ministry of Energy and Mineral Resources (MEMR). The Indonesian government is prioritizing the development of renewable energy sources.

- Therefore, Indonesia is witnessing an increasing adoption of renewable energy sources to fulfill its electricity demand and lower its emissions.

- In September 2021, UPC Renewables announced the construction of a 150-MW wind farm in Suakbumi, West Java. The project is expected to be completed in 2024 and will aid in achieving the target of 23% renewables in the national energy mix by 2025.
- In August 2021, Masdar and PT PJB started the construction of the 145-MW floating solar plant in Indonesia. The plant is expected to start its commercial operations in the fourth quarter of 2022.
- Similarly, many more renewable energy-based power plants are in various stages of development, which will shave off the share of predominant coal-based electricity generation and, therefore, restrain the growth of the coal market in the country.

Recent Developments

- In January 2022, Indonesia temporarily banned exporting coal in order to head off the widespread shortage of coal in its power plants to critical levels, raising the prospect of widespread power shortages and blackouts.
- In November 2021, Indonesia, along with India and the Philippines, joined the coal transition program. This program is aimed to target developing countries that lack adequate resources to finance the shift away from coal which is considered vital to limiting global temperature rise to 1.5 degrees C.

Global coal demand by forecast, 2000-2024

Operational Highlights

Coal process have fluctuated due to Covid-19 pandemic. However, the operations of coal business at Indonesia are running normally. The business is trying its best to reduce costs.

Audited/Unaudited Financial Statements of all Indonesian subsidiaries for the year ended March 31, 2022 have not been provided to the Parent Company and hence their financial statements for the 9 months period ended December 31, 2020 have only been considered for the purpose of preparation of Consolidated Financial Statements for the year ended March 31, 2022.

Total production of coal for the 9 months period ended December 31, 2020 in the year 2020-21 stands at 1,688,625 MT against 2,133,355 MT of PY. The company has made dispatches of 5,766,425 MT in the 9 months period ended December 31, 2020 in the year 2020-21 against 6,951,765 MT in PY through its coal handling infrastructure including 3rd party dispatches.

Legal Issues associated with coal business and its update

A. Disruption of Business

In September 2017, the group had changed its directors and senior management, which has led to certain disruption of operation of the business for approximately 5 months. Following the change of the subsidiaries directors and senior management, certain proceedings have been filed by new management of the subsidiaries, ultimate parent company and shareholder of the said subsidiaries in Singapore and Indonesia against some of the former directors of the said subsidiaries, who have in turn initiated various proceedings against the company, shareholders of the Group and ultimate parent company. The subsidiaries have resumed its operation on January 15, 2018.

B. Legal matter for ownership dispute

Minority shareholder of PT Karya Putra Borneo (Step Down Subsidiary at Indonesia) has filed a frivolous claim as shareholder of said company by allegedly accessing Legal Entity Administration System (LEAS) of Ministry of Law and Human Rights (MoLHR) and filed Deed of Charge of Board of Directors, Board of Commissioner and Shareholders (Akta) dated March 05, 2019 which was on execution of the Circular Resolution based on misinterpretation of existing decision of Supreme Court No 1332K/Pid/2017 dated January 11, 2018. Subsequent to two joint hearings at MoLHR between all parties, one of the shareholder of PT Karya Putra Borneo has filed court case with the State Administrative Court (PTUN).

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

Financial Highlights

During the year under review, the income from operations on a consolidated basis was Rs. Nil against Rs. 3737.83 million in the previous year. The consequential loss in revenue were on account of (i) Audited/Unaudited Financial Statements of all Indonesian subsidiaries for the year ended March 31, 2022 not having been provided to the Parent Company and hence their financial statements for the 9 months period ended December 31, 2020 have only been considered for the purpose of preparation of Consolidated Financial Statements for the year ended March 31, 2022 (ii) sale of entire fleet of the ships during financial year 2019-20 & 2020-21 and auction of 2 out of 4 dredgers during the financial year 2020-21 (iii) remaining 2 dredgers remaining idle and in arrested condition and (iii) sharp decline in shipping and dredging income during the year affected the revenue.

The table below shows financial highlights of the Company.

FINANCIAL HIGHLIGHTS:

₹ in Million

Particulars	Consolidated		Standalone	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Income from operations	-	3737.83	-	68.55
Other Income	3.93	387.98	126.95	336.53
Total Income	**3.93**	**4125.81**	**126.95**	**405.08**
Operating Profit	(121.11)	527.74	89.81	181.24
Finance Costs	(132.65)	(2907.89)	(1.52)	(2101.17)
Depreciation	(0.97)	(394.47)	(0.97)	(1.26)
Impairment	48.09	(266.34)	(46.46)	(116.43)
Exceptional Items	-	-	-	-
Profit/(Loss) before Tax	**(206.64)**	**(3040.96)**	**40.86**	**(2037.62)**
Taxes				
-Current Year	-	(62.29)	-	-
-Excess/(Short) provision of earlier years	11.25	(93.51)	11.25	(93.51)
-Deferred Tax		-	-	-
Net Profit/(Loss) After Tax	**(195.39)**	**(3196.76)**	**52.11**	**(2131.13)**
Minority Interest		125.02	-	-
Other Comprehensive Income Adjustment	**-**	**-**	**-**	**-**

Risk & Concerns

Risk	Definition and Potential Impact	Company's plan
Economic Risk	Our operations are spread across many countries in the world. Any slowdown in the economy in general & due to Covid-19 pandemic as well as local headwinds might have adverse impact on Company's operations.	The Company periodically monitors various developments in areas of its presence to identify the risk, if any, arising from such developments. The Company has implemented SOPs for taking care of safety and health of employees and visitors in its offices with a view to contain the spread of the pandemic.
Legal Risk	Involvement in legal cases may lead to slowdown of operations and loss of consumer confidence in Company's operations. Mercator's involvement in two legal cases might have adverse impact on its functioning. A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/MB/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Pursuant to the order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who had been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC).	The Company has been stringently fighting against the lawsuit and is optimistic of positive results. At business levels, the Company is sincerely fighting its cases to recover its dues. The management / RP is of the view that they are making best efforts to achieve favourable order in ongoing litigations in order to protect the value of its assets and is making efforts to revive operations. As per rules and regulations of the CIRP stipulated under the Code, RP has invited Resolution Plans from the eligible Prospective Resolution Applicants (PRA). The Resolution Plans submitted by the Resolution Applicants were placed before the CoC for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the Code. Accordingly, an application for liquidation of the Corporate Debtor has been filed in terms of Section 33 of the Code, which is pending adjudication by the Adjudicating Authority

Risk	Definition and Potential Impact	Company's plan
Operating Risk	Inability to manage customer relationships could impact revenues	The Company has been successful in retaining customer relationships despite stringent business environment. It enjoys enduring relationships with major global and Indian companies.
Forex Risk	Fluctuation of currency prices against local currency may have adverse impact of Company's profitability	Adoption of natural hedge against forex fluctuation enables the Company to mitigate any adverse impact of currency rate fluctuation.
Environmental Risk	With rising awareness of effects of Climate change, unable to adhere to environmental norms may lead to negative impact on the Company. This may impact the long term demand for coal leading to lowering of coal prices	Given the nature of business of Mercator, environmental protection measures are taken concurrently with coal operations for maintaining acceptable levels of environmental pollution. The company has a strict HSE policy in place to ensure business excellence as well as customer satisfaction.

Quality, Safety and Environment

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

Segment wise Performance

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

Internal control system and their adequacy

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

Human resource policy

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

As on March 31, 2022, there were 2 permanent employees and 0 contract employees with the Company. Globally, the data relating to Mercator group permanent employees and contract employees as on March 31, 2022 could not be collated on account of the same not having been provided to the parent company by the liquidators of the material subsidiary at Singapore which controls the step down Indonesian subsidiaries.

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

Ratios	2020-21	2021-22	Reasons/Explanations
Debtors Turnover	0.16:1	NA	Revenue from operations is NIL for the Financial Year 2021-22
Inventory Turnover	NA	NA	There is no inventory
Interest Coverage Ratio	0.13:1	52.42:1	No provision for interest on principal amount from the date of commencement of CIRP with effect from February 08, 2021
Current Ratio	0.20:1	0.19:1	No significant variation
Debt Equity Ratio	0.98:1	0.98:1	No significant variation
Operating Profit Margin (%)	(2.62%)	NA	Revenue from operations is NIL for the Financial Year 2021-22
Net Profit Margin (%)	(31.11%)	NA	Revenue from operations is NIL for the Financial Year 2021-22
Return on net worth (%)	NA	NA	Net Worth is fully eroded

Opportunities and Threats

As explained in the foregoing paras, great opportunities lie in all the businesses, the company is operating. Currently, the operations of the company in all the segments are halted due to financial issues.

Greatest threat for the company is that none of the resolution plans submitted by the Resolution Applicants was approved by the COC. Accordingly, an application for liquidation has been filed in terms of Section 33 of the Code, which is pending adjudication by the NCLT.

Future Outlook of the company

Future outlook of the company depends on the decision by honourable National Company Law Tribunal, Mumbai on the application for liquidation by RP of the company.

Cautionary Statement

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

For and on behalf of the Board
For Mercator Limited

H. K. Mittal
Director
(DIN:00007690)
(Powers of the board are suspended from the Insolvency Commencement Date)

Taken on record by

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

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

Dated: August 9, 2022

Annexure IIA

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

Sr. No.	Requirements	Disclosure	
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	**Name** Mr. H.K. Mittal Mr. Jagmohan Talan Ms. Ritu Vats Mr. Sukhdarshan Singh Bedi (resigned w.e.f. August 12, 2021)	**Ratio** Not applicable since company has not paid remuneration during the year under review
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, except the sitting fees. • During the FY 2021-22, there was no increase in remuneration of Directors, Chief Financial Officer and Chief Executive Officer of the Company.	
3.	The percentage increase in the median remuneration of employees in the financial year.	0%	
4.	The number of permanent employees on the rolls of the Company.	2 (two)	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not applicable. There has been no increase in managerial remuneration during the year under review. The average increase, if any, is based on the objectives of Remuneration policy of the Company that is desired to attract, motivate and retain the employees who drive the organization towards success and helps the Company to retain its industry competitiveness.	
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes	

Annexure IIB

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

Name	Qualification	Experi-ence in years	Date of joining	Designation	Date of Leaving	Total Remuneration (₹ in lakhs)	Last employment held
Mr. H.K Mittal	M. Tech	47	23-May-88	Executive Chairman	-	NIL	Natraj Organics Limited
Mr. Shalabh Mittal	PGDBA - Business Administra tion	21	27-May-16	CEO	12-08-21	NIL	Mercator Lines Singapore
Mr. Rajendra Kothari	FCA, ACS	33	1-Feb-18	Chief Financial Officer	28-02-22	28.28	Bombay Gas Co. Ltd.
Mr. Mangesh Mukund Deokar Bhosale	CA, CS, CMA, LLB	25	1-Mar-22	Chief Financial Officer & Compliance Officer	-	1.50	Ashish Lifescience Pvt. Ltd.

Note:

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

For and on behalf of the Board
For Mercator Limited

H. K. Mittal
Director
(DIN:00007690)
(Powers of the board are suspended from the Insolvency Commencement Date)

Taken on record by

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

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

Dated: August 9, 2022

Annexure III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

I have conducted the Secretarial Audit of compliance with the 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, I hereby report that in my opinion, the Company has during the audit period covering the financial period from **01st April 2021 to 31stMarch, 2022** 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, minutes books, forms and returns filed and other records maintained by the Company for the financial period from **01st April 2021 to 31stMarch, 2022** according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) including amendments thereof 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; **(to the extent applicable);**

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

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

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (now known as SEBI (Prohibition of Insider Trading) Regulation 2015.

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

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021(effective from August 13, 2021); **(Not applicable to the Company during the period under review);**

e) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008 and The Securities and Exchange Board of India(Issue and Listing of Non- Convertible Securities)Regulations 2021(effective from August 9,2021); **(Not applicable to the Company during the period under review);**

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

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

h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable to the Company during the period under review);**

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

I have relied on certifications/representations made by the officers of the Company and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. Major laws applicable to the Company are as follows:

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

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

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

(d) International Safety Management Code (ISM);

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

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

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

I have not examined the following:

With other laws applicable including labour, industrial, environmental and other industry specific laws (as informed by the management of the Company which are specifically applicable to the Company based on its industry/sector) since the compliance and monitoring of the said laws are to be ensured by the management of the Company;

With the applicable financial laws like direct tax and indirect tax laws and maintenance of financial records and books of accounts, has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

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

    a) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

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

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

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

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

I further report that

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

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

2) Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.

I further report that there are adequate systems 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 an application was made by ICICI Bank Limited, Financial Creditor of the Company, wherein the Hon'ble National Company Law Tribunal, Mumbai Bench, ("Hon'ble NCLT"), vide its Order dated February 08, 2021 ("Order") in Company Petition No . (IB) 4404 / MB / 2019 (" Insolvency Commencement Order") in the matter of ICICI Bank Ltd V. Mercator Ltd & Anr, had initiated Corporate Insolvency Resolution Process ("CIRP") against Mercator Limited, Corporate Debtor ("the Company") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Pursuant to the Order, the powers of the Board of Directors stand suspended and were vested in Mr. Girish Siriram

Juneja, who has been appointed as Interim Resolution Professional (IRP) by the Hon'ble NCLT and later confirmed as the Resolution Professional (RP) by the Committee of Creditors (COC).

I further report that during the audit period, there was no other specific event/action in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above, having major bearing on the Company's affairs.

I further state that following list of the documents were verified:

1) MOA and AOA of the Company
2) Annual Report for the financial year 2021;
3) Minutes of the meetings of Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, held during the year;
4) Minutes of the General meeting held during the financial year under review;
5) Signed Attendance Sheet;
6) Agenda papers submitted to all directors/members for the board meetings and committee meetings;
7) Intimations received from the Directors of the Company pursuant to the provisions of section 184 and 149(7) of Companies Act, 2013;
8) E-forms filed by the Company from time to time under the applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
9) Intimations/documents/reports/returns filed with stock exchanges pursuant to provisions of the SEBI LODR/ Companies Act, 2013;
10) Video Recordings maintained for all the Board Meetings, Committee Meetings and General Meetings held during the financial year under report;

I further report that during the audit period there were no instances of:

(i) Public / Debentures / Sweat Equity.
(ii) Redemption / buy-back of securities.
(iv) Merger / Amalgamation / reconstruction etc.
(v) Foreign technical collaborations.

Signature:
CS DHRUTI SATIA
Practicing Company Secretary
FCS No. 45096 C P No. 21346

Place: Mumbai
Date: 09th August 2022
UDIN: A045096D000765794

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

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

S.N.	Particulars	Remarks
1	Pursuant to Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and as per the Ministry of Corporate Affairs Notification dated 22nd October, 2019 every person who is been appointed as Independent Director before its appointment shall be registered in the data bank of Independent Directors.	During the period under review, Ms. Ritu Vats, is yet to apply to the Indian Institute of Corporate Affairs (IICA) for inclusion of her name in the databank. Also, the registration of Mr. Jagmohan Talan with the databank maintained by IICA expired on 23rd September 2021, which has not been renewed till the date of this report.
2	The Company has failed to pay the instalment due of the debentures on the due date and failed to pay the interest due thereon for a continuous period of more than a year. Hence, all the Directors of the Company are disqualified from being appointed as Director in terms of Section 164 (2) of the Companies Act, 2013.	All of the Directors of the Company are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
3	Pursuant to Order dated January 22, 2019 issued under Section 405 of the Companies Act, 2013 every specified Company shall file with MCA a Half Yearly MSME Return mentioning the details of all outstanding dues to Micro or small enterprises before 31st October for the Half year ended 30th September and 30th April for the period of Half Year ended 31st March.	During the period under review, the Company Had filed the MSME Return for Half Year ended March 31, 2021 on May 11, 2021 which was beyond the prescribed time limit.
4	As per the Point No. 7.1.4 of with Secretarial Standard on Meetings of the Board of Directors (SS-1) all the pages of the minutes book shall be consecutively numbered.	During the period under review, the Company has serially numbered all the pages of the minutes book of Board Meetings. However, page number of minutes book of the Committee Meetings is not numbered serially.
5	As per the Point No. 7.4 of with Secretarial Standard on Meetings of the Board of Directors (SS-1) the draft minutes of the meeting was circulated among all the directors within fifteen days of the meeting either in writing or in electronic mode as may be decided by the Board.	During the period under review, the Company has sent the Draft Minutes within 15 Days from the Meetings except for the meetings held on 11th February 2022.
6	As per the Point No. 8.3 of with Secretarial Standard on Meetings of the Board of Directors (SS-1) & Point No. 18.3 of Secretarial Standards on General Meetings (SS-2) the Minute books of Board Meetings and the Minutes books of the Committee Meetings and Minutes book of Annual General Meeting shall be maintained in the custody of the Company Secretary or any Director duly authorised by the Board.	During the period under review, there was no Company Secretary in the Company nor any director was authorised to comply with the requirement. However, the Company had appointed the Chief Financial Officer as the Compliance Officer w.e.f. August 18, 2021 and had authorized him to maintain the same vide resolution passed in the meeting held on November 12, 2021.
7	As per the Point No. 17.5 of Secretarial Standards on General Meetings (SS-2) each page of the proceeding of a General Meeting shall be initialled or signed and the last page of the record of proceedings of each meeting shall be dated and signed by the chairman of the same meeting or by a director authorized within the aforesaid period of thirty days.	During the period under review, Company has complied with the same.

S.N.	Particulars	Remarks
8	As per the General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 Companies conducting their Annual General Meeting via VC/AOVM shall record the meeting and the recorded transcript shall be maintained in safe custody by the Company and the said recording shall also be uploaded on the Company's website.	During the period under review, Company has maintained recordings of the meeting which is conducted via VC. However, Company has not uploaded the said recording on the Company's website.
9	As per Section 12, 88, 149, 168 of the Companies Act, 2013 and applicable Rules made thereunder information/documents to be placed on the Website of the Company.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement
10	Statutory Registers	During the period under review, Company has not maintained any Statutory Registers.

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

S.N.	Particulars	Remarks
1	**Reg. 4(1)(d):** Listed entity shall provide adequate and timely information to recognised Stock Exchange(s) and investors.	Stock Exchange(s) has called upon the Company to provide certain information relating to unclaimed shares. Further, the Company had received first reminder on November 3, 2020, also physical letter was sent to Company by registered post on November 10, 2020 in relation to compliance with Regulation 39(4) read with Schedule VI. However, the Company has not replied to the same.
2	**Reg. 6:** A listed Company shall Appointment a Qualified Company Secretary as the Compliance Officer.	The Company did not appoint a Compliance Officer till August 18, 2021. Thereafter, Mr. Rajendra Kothari, who is a qualified Company Secretary and a Member of the Institute of Company Secretaries of India bearing Membership No. A6086, was appointed as the Compliance Officer of the Company w.e.f. 18 August 2021 and post his resignation on February 28, 2022, Mr. Mangesh Mukund Deokar Bhosale, who is a qualified Company Secretary and a Member of the Institute of Company Secretaries of India, was appointed as Compliance Officer w.e.f. March 01, 2022.
3	**Reg. 17(1):** The Board of Directors of top 2000 listed entities shall comprise of not less than 6 Directors. The Company was in the top 2000 Companies based on market capitalisation as on March 31, 2022.	The Board strength is of 3 Directors which comprises of 2 Independent Directors and 1 Whole-Time Director. The Company is yet to comply with the requirements.
4	**Reg. 17(3):** The board of directors shall periodically review compliance reports pertaining to all laws applicable to the listed entity, prepared by the listed entity as well as steps taken by the listed entity to rectify instances of non-compliances.	Based on scrutiny of the minutes of meetings of RP & Directors held during the year, the Minutes does not elaborate the details of the review of compliance reports pertaining to all laws applicable to the Company Further, the Minutes does not mention about the steps taken by the Board to rectify the same. Thus,

S.N.	Particulars	Remarks
		the Company has not complied with the requirement.
5	**Reg. 17(10):** Evaluation of Independent Director shall be done by the entire Board of Directors.	Based on scrutiny of the minutes of meetings of RP & Directors during the year, it is noted that the evaluation of independent directors has not been done; the aforesaid default is also disclosed in the Directors Report for the Financial Year 2020-21.
6	**Reg. 18(1)(e):** The Company Secretary shall act as the secretary to the Audit Committee.	The Company does not have a Qualified Company Secretary.
7	**Reg. 24(1):** At least one Independent Director on the Board of Directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India or not.	The Company has not appointed its Independent Director on the Board of its 4 Material Subsidiaries; however these material subsidiaries are also under Corporate Insolvency Resolution Process. Management has confirmed that during the period under review has not received Financial Statements from its Subsidiaries Companies. Hence the Company could not determine the materiality of its subsidiaries due to non-availability of financials.
8	**Reg. 24(3):** The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the listed entity.	On scrutiny of minutes of meeting of RP & Directors of the Company it is noted that due to non-availability of the minutes of board meeting of unlisted subsidiaries, the same have not been placed before the RP & Directors of the Company, however the material subsidiaries are also under CIRP.
9	**Reg. 24A:** Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex with its annual report, a Secretarial Audit Report, given by a Company Secretary in Practice, in such form as may be specified.	During the period under review, the unlisted material subsidiaries have not undertaken Secretarial Audit.
10	**Reg. 24A(1):** Secretarial Audit Report of material subsidiaries has to be annexed with the annual report of the company.	The material subsidiaries have not been subjected to secretarial audit. hence, the Company could not comply with same.
11	**Reg. 24A (2) -**Secretarial Compliance Report has to be submitted to stock exchanges within 60days from the end of the Financial Year. The timeline for submission was extended by SEBI to 30th June 2021.	The submission of Annual Secretarial Compliance Report for the year ended 31st March 2021 was delayed. The said report has been submitted on 02nd July,2021 i.e. the submission has been delayed by 2 days.
12	**Reg. 25(3):** Independent Director shall meet at least once in a year.	Since the powers of the Board have been suspended, the meeting of the Independent Directors of the Company has not been held during the year.
13	**Reg. 25(7):** The listed entity shall familiarise the Independent Directors through various programmes about the listed entity.	The Company being under CIRP, has not complied with this Regulation.
14	**Reg.27(2)(c) :** The Quarterly Report on Corporate Governance Shall be signed either by the Compliance Officer or the Chief Executive	Quarterly Report for the quarter ended 31st March 2021 and 30th June 2021 has been

S.N.	Particulars	Remarks
	Officer of the listed entity.	signed by Chief Financial Officer of the Company.
15	**Reg. 30 wrt Sch III Part A, Para A- 4(h):** Listed entity shall submit the quarterly financial results to the Stock Exchange(s) within 30 minutes of the closure of the meeting in which the same were approved.	The Annual Financial Results for the year ended 31.03.2021 were approved in the meeting of board of directors held on 23rd June 2021(Conclusion of the Meeting 5.30 P.M.), the submission to the Stock Exchanges was made on 24.06.2021.
16	**Reg. 33 (2)(a):** While placing the quarterly financial results before the board of directors, the Chief Executive Officer and Chief Financial Officer of the listed entity shall certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.	The Chief Executive Officer have not certified the quarterly financial results. However the Chief Executive Officer has resigned from 21st June 2021 which was accepted by the Committee of Creditors w.e.f 12th August 2021.
17	**Reg. 33 (3)(h):** The listed entity shall ensure that, for the purposes of quarterly consolidated financial results at least 80% of each consolidated revenue, assets and profits respectively, shall have been subject to audit or limited review, as case may be.	The Company has not complied with the said regulation in respect of financial results for all the quarters.
18	**Reg. 46:** The listed entity shall disseminate prescribed information on its website.	The Company being under CIRP, it has been maintaining a special purpose website (www.mecator.co.in); However it does not include all mandatory information prescribed in the said regulation; further in view of the above, we are unable to ascertain compliance with regard to updation in the content.
19	Company shall formulate certain mandatory policies	We are unable to confirm compliance with the requirement as the Company was unable to show the following policies for verification: 1) Policy on Preservation of Documents 2) Policy on materiality of events/information [Reg. 30(4)ii] 3) Risk Management Plan [Reg. 17(9)b] 4) Archival Policy [Reg. 30(8)]

Note: In terms of Sub-Regulation (2A) and (2B) of Regulation 15 which came into effect vide SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, the provisions as specified in Regulations 17 to 21 shall not be applicable to the listed entity which is undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Further, as per the Hon'ble NCLT Order passed on February 8, 2021 the Company is under Corporate Insolvency Resolution Process. Thus, the provisions specified in Regulations 17 to 21 shall not be applicable to the Company only for the Quarter ended March 31, 2022.

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

S.N.	Particulars	Remarks
1	**Reg. 3 [2(B)]:** Due notice has to be given to persons (to whom Unpublished Price Sensitive Information is shared) to maintain confidentiality of Unpublished Price Sensitive Information shared to them pursuant to legitimate purpose.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
2	**Reg. 3(4):** The Board of Directors has made the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
3	**Reg. 3(5):** The Board of Directors shall ensure that a structured digital database containing name of such persons or entities as the case may be with whom Unpublished Price Sensitive Information is shared, is maintained with adequate internal controls and checks including time stamping and audit trails to ensure non tampering.	The Structural Digital Database has not been maintained by the Company.
4	**Reg. 5(1):** An insider shall be formulate a trading plan and present it to the Compliance officer for approval and public disclosure pursuant to which trades may be carried on his behalf in accordance with such plan.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
5	**Reg. 7(2)(a) & 7(2)(b):** Acquisition/Disposal of securities of the Company by promoter, employee, director wherein aggregate of value of such transaction exceeds rupees ten lakh in one transaction or a series of transactions over any calendar quarter shall be disclosed within two trading days by such person to the Company and subsequently Company shall disclose such particulars of trading to the Stock Exchange(s) within two trading days of receipt of the disclosure or from becoming aware of such information.	During the year under review, Mrs. Archana Mittal promoter of the company has disposed of her shares in the company, the value of such shares exceeded the threshold specified in the regulation; the disclosure of intimation of such disposal (received from the promoter) to the stock exchange was delayed by the Company. However, the disclosure of intimation received under Reg 7(2)(b) from the promoter to the stock exchanges, has been delayed by the company by 3 days.
6	**Reg. 7(3):** The connected person or class of connected persons shall made disclosures of holdings and trading in securities of the Company in such form and at such frequency as may be determined by the Company.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
7	**Reg. 9(3):** The Company has to identify and designate a Compliance Officer for administering the Code of Conduct and other requirements.	Company has not appointed compliance Officer until 17th August 2021.
8	**Reg. 9(4)**: The Board of Directors shall in consultation with Compliance Officer specify designated persons to be covered by the Code of Conduct.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
9	**Reg. 9A(1):** The Chief Executive Officer, Managing Director or such other analogous person of a listed company, intermediary or fiduciary shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
10	**Reg. 9A(5):** The Company shall formulate a Board of Directors approved written policies and procedures for inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.

S.N.	Particulars	Remarks
11	Para 4 of Schedule B read with NSE Circular dated 02.04.2019: In case of declaration of financial results, the trading window closure shall commence on the last day of each quarter and the same has to be intimated to Stock Exchange(s).	The Company has announced closure of Trading Window for quarter endedMarch 31, 2021 to the stock exchange(s) on 02nd April 2021.
12	Para 6 of Schedule B: Trades executed by insiders shall be pursuant to the pre-clearance granted by the Compliance Officer where the value of trades is above such thresholds as stipulated by the Board in the Code.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.

PART D: FOREIGN EXCHANGE MANAGEMENT ACT, 1999:

S.N.	Particulars	Remarks
1	Annual Performance Report (APR): The Indian Party is required to submit the Annual Performance Report based on Audited Financial Statements of the overseas Wholly Owned Subsidiary by 31st December of every year.	During the period under review, due to non-availability of financials of subsidiary, the Company has not submitted the annual Performance Report.

PART E: SEBI CIRCULARS:

S.N.	Particulars	Remarks
1	As required under SEBI Circular No.SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21st November 2019, Disclosures of Defaults on payments of Interest / repayment of principal amount on loans from banks/ financial institutions and unlisted debt securities has to be made within 7 days from the end of the quarter.	The Company has submitted the said disclosure for quarter ended 31st March 2021 on 1st July 2021 which is beyond the stipulated time limit of 7th April 2021.
2	As required under SEBI Circular no. SEBIHO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020, SEBI has mandated disclosure the material Impact of Covid 19 on the business of the listed entity.	Company has not disclosed to the stock exchange(s) Impact of Covid -19 on the listed entity.
3	As required under SEBI Circular no. SEBIHO/CFD/CMD1/CIR/P/2020/168 dated 09th September 2020 listed entity shall provide such prescribed information within 10 days from the date of this circular for implementation of System Driven Disclosures (SDD).	The data as mandated under the said circular was not updated to designated depository within the stipulated timeline. However, the data mandated as required under the said circular was updated on 04th May 2022 i.e. subsequent to the end of the period under review.
4	As required under SEBI Circular no.CIR/CFD/CMD1/ 114/2019 dated 18th October, 2019. In case the auditor has already been appointed as on the date of the said circular, the terms of appointment shall be suitably modified to give effect to paras 6(A) and 6(B) of the circular.	No record/support in this regard shown for our verification; we are unable to confirm compliance with the requirement.
5	As required under BSE Circular dated 14th June 2017, Report under regulation 76 of the SEBI (Depositories and Participants) Regulations 2018 read with Circular dated 31st December 2002 has to be submitted in XBRL mode along with pdf copy within 30days from the end of the quarter.	PDF Copy of the report under the said regulation for the quarter ended 31st March 2022 has been submitted beyond the stipulated timeline. However the submission of PDF Copy of the said report has been delayed by 11 days.

PART F:

S.N.	Action Taken By	Details of violation	Details of action taken	Remarks
1	National Stock Exchange of India (NSE) and BSE Limited (BSE)	Non Appointment of Compliance officer	National Stock Exchange of India (NSE) has imposed fine of Rs.1,38,000 (excluding GST at applicable rates) and BSE Limited (BSE) has imposed fine of Rs.1,39,000 (excluding GST at applicable rates).	Company had applied for waiver, which had been rejected by NSE and hence, the imposed fine is yet to be remitted to the stock exchange.
2	National Stock Exchange of India (NSE) and BSE Limited (BSE)	Delay in Submission of Annual Compliance Report for the year ended 31st March 2021.	Both the Stock Exchange has imposed fine of Rs.4,000/- each (excluding GST at applicable rates).	Company has paid the amount of fine to the BSE Limited and National Stock Exchange of India on 07th August 2021.

Annexure – B:

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

My report of even date for the financial from 01st April 2021 to 31st March, 2022 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 my 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 the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai
Date: 09th August 2022
UDIN: A045096D000765794

Signature:
CS DHRUTI SATIA
Practicing Company Secretary
FCS No. 45096 C P No. 21346

Report on Corporate Governance

(Forming part of Board's Report for the year ended on March 31, 2022)

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

The Resolution Plans submitted by the Resolution Applicants were placed before the CoC for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the Code. Accordingly, an application for liquidation of the Corporate Debtor has been filed in terms of section 33 of the Code, which is pending adjudication by the Adjudicating Authority.

I. Company's philosophy:

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

In terms of Regulation 34(3) read with Schedule V to Listing Regulations, a Report on Corporate Governance for the year ended March 31, 2022 is presented below.

II. Board of Directors:

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

As at the year end March 31, 2022, the Board of Directors of the Company comprised of Three Directors: One Executive Director and Two Non-Executive Directors, out of which the Two Non-Executive Directors are Independent Directors and one of them is a Woman Director. There is no Nominee Director on the Board of the Company.

However, as per the market capitalization of listed entities as on March 31, 2022, issued by National Stock Exchange of India Limited, where the equity shares of the Company are listed, the Company falls under the top 2000 listed entities and pursuant to Regulation 17 of the Listing Regulations, the Board of Directors of the Company shall comprise of not less than six directors. However, in terms of Regulation 15(2A) and (2B) of Listing Regulations, the provisions as specified in Regulation 17 to 21 of Listing Regulations are not applicable during the CIRP period in respect of a listed entity which is undergoing CIRP under the Code.

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. However, after appointment of RP, all meetings of RP & Directors and Committees are chaired by the RP.

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

(b) RP & Directors Meetings:

During the year 2021-22, 4 (four) Meetings were held i.e. on June 23, 2021, August 12, 2021, November 11, 2021 and February 11, 2022.

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

Sr. No.	Name of Director & DIN	Category	No. of Board Meetings Attended	Attendance at last AGM held on December 24, 2021 and adjourned on December 27, 2021	Total number of other Director ships*	Directorships & category of directorships held in other Listed entity	No. of other Board Committee membership held in Public Companies as on 31.03.2022**	
							Chairman	Member
1	Mr. H. K. Mittal (DIN:00007690)	Whole-Time Director & Promoter	3	No	-	None	Nil	Nil
2	Mr. Jagmohan Talan (DIN: 08890353)	Non-Executive Independent Director	4	Yes	1	None	Nil	Nil
3	Ms. Ritu Vats (DIN: 08890591)	Non-Executive Independent Director	3	Yes	1	None	Nil	Nil
4	Mr. Sukhdarshan Singh Bedi*** (DIN:08889664)	Non-Executive Independent Director	1	N.A.	Nil	None	Nil	Nil

*Other directorships as on March 31, 2022, does not include One Person Company, Private Companies, Companies registered u/s 8 of the Act, Alternate directorships and foreign Companies.

**In accordance with the Listing Regulations Memberships / Chairmanships of only the Audit Committees and Stakeholders' Relationship Committees of all Public Limited Companies have been considered.

***Ceased w.e.f. August 12, 2021.

The Company has made efforts to furnish such information to the Directors as mentioned under Listing Regulations from time to time. The RP & Directors reviewed the periodical compliance reports of all laws applicable to the Company.

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

During the year under review, Ms. Ritu Vats (DIN: 08890591) and Mr. Jagmohan Talan (DIN: 08890353) continued to be the Directors of the Company.

Mr. Sukhdarshan Singh Bedi (DIN: 08889664) had resigned w.e.f. August 12, 2021 due to personal commitments and had confirmed that there were no other material reasons for his resignation other than this.

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

During the year under review, the Company has not issued any shares or convertible instruments. Further, as on March 31, 2022, none of the Non-Executive Directors holds any share or convertible instruments of the Company.

(e) Inter-se Relationship:

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

(f) Independent Directors' Meeting:

During the year under review, since, the Company was under CIRP and the powers of the Board was suspended, hence, no meeting of Independent Directors was held.

(g) Evaluation of Performance:

During the Financial Year 2021-22, since, the Company was under CIRP and the powers of the Board was suspended, hence, the evaluation of Directors of the Company did not take place.

(h) Familiarisation Programme:

During the year under review, since, the Company was under CIRP and the powers of the Board was suspended, hence, the Company could not hold familiarisation programmes for Independent Directors.

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

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

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

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

Name of the Director	Area of expertise			
	Industry knowledge	Under-standing of financials	Familiarity with the laws applicable to the business	Corporate Governance
Mr. H. K. Mittal	✓	✓	✓	✓
Mr. Jagmohan Talan	✓	✓	✓	✓
Ms. Ritu Vats	✓	✓	✓	✓
Mr. Sukhdarshan Singh Bedi (Ceased to be Director w.e.f. August 12, 2021)	✓	✓	✓	✓

(j) Code of Conduct:

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

Since, Mr. Shalabh Mittal has resigned from the office of Chief Executive Officer of the Company w.e.f. August 12, 2021, accordingly, the declaration by Mr. Harish Kumar Mittal, Whole Time Director of the Company affirming the compliance with the code for the financial year ended on March 31, 2022 by the members of the Board and Senior Management Personnel, as applicable to them, is annexed to this Annual Report.

III. Audit Committee:

As at March 31, 2022, the Company is under CIRP and accordingly, as per Regulation 15(2A) and (2B) of the Listing Regulations, Regulations 17, 18, 19, 20 and 21 of the Listing Regulations relating to various committees including Audit Committee are not applicable to the Company during the Insolvency Process. However, the Company continues to have a duly constituted Audit Committee in compliance with the provisions of Section 177 of the Act.

Composition:

During the year under review, Mr. Sukhdarshan Singh Bedi (DIN: 08889664), the member of Audit Committee of the Company, resigned from the directorship of the Company with effect from August 12, 2021. Pursuant to his resignation, Audit Committee was reconstituted by the RP & Directors at their meeting held on November 12, 2021.

Accordingly, as on March 31, 2022, the Audit Committee comprised of two Non-Executive Independent Directors and one Executive Director. Mr. Jagmohan Talan (DIN: 08890353), is the designated Chairman of the Committee; other members being Ms. Ritu Vats (DIN: 08890591) and Mr. H. K. Mittal (DIN:00007690), Executive Director of the Company. However, after initiation of CIRP, all meetings of Audit Committee are chaired by the RP.

However, the Directors continue to hold their respective positions/ designations in the Company and are required to extend all assistance and cooperation to the RP as required in managing the affairs of the Company.

The Chief Financial Officer along with the Internal Auditors and Statutory Auditors are invitees to the Audit Committee Meetings. All the recommendations made by the Audit Committee during the year were accepted and approved by the RP.

Terms of Reference:

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by the management.
    d. Significant adjustments made in the financial statements arising out of the audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions.
    g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice (if any), and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
20. Such other functions / powers as may be assigned / referred to the Committee by Board from time to time. The minutes of the Audit Committee meeting are always presented to the Board for its discussion and taking on record.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 1000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. To Review of compliances as per the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall also verify that the systems for internal control are adequate and are operating effectively.
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

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

Meetings:

During the year, four (4) meetings of the Audit Committee were held i.e. on June 23, 2021, August 12, 2021, November 11, 2021 and February 11, 2022.

Attendance of each member at the Audit Committee Meeting:

Name of Member	No. of meetings held during their tenure	No. of Meetings attended
Mr. H. K. Mittal (DIN: 00007690)	4	3
Mr. Jagmohan Talan (DIN: 08890353)	4	4
Ms. Ritu Vats (DIN: 08890591)	4	3
Mr. Sukhdarshan Singh Bedi (DIN: 08889664) (Ceased as Member w.e.f. August 12, 2021)	1	1

Mr. Jagmohan Talan, designated Chairman of the Audit Committee was present at the 37th Annual General Meeting of the Company to reply to the queries of the Shareholders.

IV. Nomination and Remuneration Committee: -

As at March 31, 2022, the Company is under CIRP and accordingly, as per Regulation 15(2A) and (2B) of the Listing Regulations, Regulations 17, 18, 19, 20 and 21 of the Listing Regulations relating to various committees including Nomination and Remuneration Committee are not applicable to the Company during the Insolvency Process. However, the Company continues to have a Nomination and Remuneration Committee in compliance with the provisions of Section 178 of the Act.

Composition:

During the year under review, Mr. Sukhdarshan Singh Bedi (DIN: 08889664), the member of Nomination and Remuneration Committee of the Company, resigned from the directorship of the Company with effect from August 12, 2021. Pursuant to his resignation, the RP & Directors at their meeting held on November 12, 2021 noted that reconstitution of the Committee was however required, but cannot be done unless a New Director is appointed on Board of the Corporate Debtor.

As a result, on March 31, 2022, the Committee comprised of two Non-Executive Independent Directors. Mr. Jagmohan Talan (DIN: 08890353) and Ms. Ritu Vats (DIN: 08890591). There was no designated Chairperson of the Committee as on March 31, 2022. However, after initiation of CIRP, all meetings of the Committee are chaired by the RP.

However, the Directors continue to hold their respective positions/ designations in the Company and are required to extend all assistance and cooperation to the RP as required in managing the affairs of the Company.

Meetings:

During the year, two (2) meetings of the Nomination & Remuneration Committee were held i.e. on June 23, 2021 and August 12, 2021.

Attendance of each member at the Nomination & Remuneration Committee Meeting:

Name of Member	No. of meetings held during their tenure	No. of Meetings attended
Mr. Jagmohan Talan (DIN: 08890353)	2	2
Ms. Ritu Vats (DIN: 08890591)	2	1
Mr. Sukhdarshan Singh Bedi (DIN: 08889664) (Ceased as Member w.e.f. August 12, 2021)	1	1

Mr. Jagmohan Talan, Chairman of the Nomination & Remuneration Committee was present at the 37th Annual General Meeting of the Company to reply to the queries of the Shareholders.

Terms of Reference:

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

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
6. recommend to the board, all remuneration, in whatever form, payable to senior management.

Remuneration Policy:

Pursuant to the provisions of Section 178 of the Act, the Company had adopted and implemented Remuneration Policy to recommend to the Board matters relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The objective of this Policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The said policy has been uploaded on the website of the Company at www.mercator.co.in

Details of remuneration paid to Directors for the financial year ended March 31, 2022:

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

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

Name of Director	Amout (Rs.)
Mr. Jagmohan Talan (DIN: 08890353)	4,00,000/-
Ms. Ritu Vats (DIN: 08890591)	3,50,000/-
Mr. Sukhdarshan Singh Bedi (DIN: 08889664) (till August 12, 2021)	1,00,000/-

a. The Company has not granted any Stock Options.

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

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

Performance Evaluation:

The Nomination and Remuneration Committee had laid down the criteria for performance evaluation of Independent Directors and other Directors, Board and Committees of the Board of Directors. However, since the powers of the Board are suspended, no evaluation was carried out during the year under review.

V. Stakeholders' Relationship Committee:

As at March 31, 2022, the Company is under CIRP and accordingly, as per Regulation 15(2A) and (2B) of the Listing Regulations, Regulations 17, 18, 19, 20 and 21 of the Listing Regulations relating to various committees including Stakeholders' Relationship Committee are not applicable to the Company during the Insolvency Process. However, the Company continues to have a duly constituted Stakeholders' Relationship Committee in compliance with the provisions of Section 178 of the Act.

Composition:

During the year under review, Mr. Sukhdarshan Singh Bedi (DIN: 08889664), the member of Stakeholders' Relationship Committee of the Company, resigned from the directorship of the Company with effect from August 12, 2021. Pursuant to his resignation, Ms. Ritu Vats was appointed as a member of the Committee effective from November 12, 2021.

As on March 31, 2022, the Committee comprised of one Executive Director and two Non-Executive Independent Directors viz. Mr. H. K. Mittal (DIN:00007690), Mr. Jagmohan Talan (DIN: 08890353), is the designated Chairman of the Committee; other member being Ms. Ritu Vats (DIN: 08890591). However, after initiation of CIRP, all meetings of the Committee are chaired by the RP.

However, the Directors continue to hold their respective positions/ designations in the Company and are required to extend all assistance and cooperation to the RP as required in managing the affairs of the Company.

Terms of Reference:

The terms of reference of the Committee are as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

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

Meetings:

During the year, one (1) meeting of the Stakeholders' Relationship Committee was held i.e. on June 23, 2021.

Attendance of each member at the Stakeholders' Relationship Committee Meeting:

Name of Director	No. of meetings held during their tenure	No. of Meetings attended
Mr. Jagmohan Talan (DIN: 08890353)	1	1
Mr. Sukhdarshan Singh Bedi (DIN: 08889664) (Ceased as Member w.e.f. August 12, 2021)	1	1
Mr. Harish Kumar Mittal (DIN: 00007690)	1	1
Ms. Ritu Vats (DIN: 08890591) (Appointed as a Member w.e.f. November 12, 2021)	-	-

Status of Investors' Complaints

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the financial year 2021-22 are as under:

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

VI. Corporate Social Responsibility Committee:

There have been losses for consecutive 3 financial years, i.e. for FY 2018-19, 2019-20, 2020-21 and company is not obliged to conduct Corporate Social Responsibility activities as it was not fulfilling any of the criteria as specified under Section 135 of the Act for consecutive 3 financial years. Further, pursuant to the provision of section 135(9), where the amount to be spent by a company does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

Accordingly, the Corporate Social Responsibility Committee has been dissolved w.e.f. November 12, 2021 and no Meetings of Corporate Social Responsibility Committee was held during the year.

VII. Risk Management Committee:

As at March 31, 2022, the Company is under CIRP and accordingly, as per Regulation 15(2A) and (2B) of the Listing Regulations, Regulations 17, 18, 19, 20 and 21 of the Listing Regulations relating to various committees including Risk Management Committee are not applicable to the Company during the Insolvency Process.

Accordingly, the Risk Management Committee has been dissolved w.e.f. November 12, 2021 and no Meetings of Risk Management Committee was held during the year.

VIII. General Body Meetings:

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

Financial Year	Date	Time	Venue	Special Resolution(s)
2020-21 (AGM)	24/12/2021 and Adjourned AGM on 27/12/2021	3:00 P.M	Through VC/OAVM. Deemed venue: 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai - 400 021.	1. To approve Revision in terms of appointment of Mr. Harish Kumar Mittal, Whole time Director of the Company
2019-20 (AGM)	29/12/2020 and Adjourned AGM on 05/01/2021	3:00 P.M	Through VC/OAVM. Deemed venue: 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai - 400 021.	1. To approve the variation in the terms of the loans to the Wholly Owned Subsidiary Company, Mercator Oil & Gas Limited. 2. To approve the variation in the terms of the loans to the Subsidiary Company, Mercator Petroleum Limited.
2018-19 (AGM)	31/12/2019	3:00 PM	4th Floor, Walchand Hirachand Hall, IMC Bldg., IMC Marg, Churchgate, Mumbai - 400 020	NIL

(ii) Postal ballot

During the year ended March 31, 2022, the Company had not conducted any business through Postal Ballot.

IX. Means of communication:

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

Quarterly/yearly results are normally published in Financial Express in English Language and Navakal in Vernacular Language (Marathi). Quarterly shareholding distribution and quarterly/yearly results submitted to the Stock Exchanges are posted on the website of the Company i.e. www.mercator.co.in. The Company also displays official news releases on its website i.e. www.mercator.co.in. The Company has an email id secretarial@mercator.co.in to facilitate redressal of investors'/ shareholders' grievances.

X. General Shareholder Information:

a.	**Date, Day, Time and Venue of Annual General Meeting**	**Date** : November 01, 2022 **Day** : Tuesday **Time** : 11:30 A.M. **Mode** : **Through Video Conferencing** **Deemed Venue:** 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai - 400 021
b.	**Financial year**	**1st April, 2021 to 31st March, 2022**

c.	**Financial Calendar (1st April, 2021 to 31st March, 2022)**	**Tentative Dates** i) First Quarter Results - On August 9, 2022 ii) Second Quarter Results – On or before November 14, 2022 iii) Third Quarter Results - On or before February 14, 2023 iv) Fourth Quarter / Yearly Results - On or before May 30, 2023 (Audited Results)
d.	**Date of Book Closure**	Wednesday, October 26, 2022 to Tuesday, November 01, 2022
e.	**Cut-off date for e-voting**	Tuesday, October 25, 2022
f.	**Date of Dividend payment / dispatch**	Not Applicable
g.	**Listing on Stock Exchanges**	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 **Scrip Code: 526235** **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 **Symbol: MERCATOR**
h.	**ISIN and CIN**	**ISIN:** INE934B01028 **CIN:** L63090MH1983PLC031418
i.	**Dematerialization of shares and liquidity**	About 99.58% of the Equity Shares of the Company have been dematerialized as on March 31, 2022.
j.	**Registrar and Share Transfer Agent**	**M/s. Link Intime India Private Limited.** C-101, 247 Park, L B S Marg, Vikroli West, Mumbai 400 083 Tel.: 022-4916200 Fax: 022-4916060 E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
k.	**Outstanding ADRs, GDRs or any convertible instruments, conversion date and impact on Equity**	The Company has not issued any ADRs, GDRs or any convertible instruments
l.	**Commodity price risk or foreign exchange**	Not Applicable
m.	**Plant Locations and address for correspondence**	The Company does not have any plant. Address for correspondence: Mercator Limited 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai - 400 021. Tel Nos: 91-22-66373333 Fax Nos: 91-22-66373344 E-mail: secretarial@mercator.co.in Website: www.mercator.co.in

XI. List of credit ratings obtained:

The ratings given by Credit Analysis and Research Limited (CARE) both for short-term borrowings and long-term borrowings of the Company are CARE D. There was no revision in the said ratings from the ones reported in the Annual Report 2020-21. List of all credit ratings obtained by the Company are as below:

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

XII. Other Disclosures:

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

B. Disclosure of accounting treatment: In preparation of financial statements, the Company has followed the Accounting Standards as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS') 'prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

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

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

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

F. Disclosures:

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

Sr. No.	Action Taken By	Details of violation	Details of action taken eg. fines, warning letter, debarment etc.
1	BSE Limited	Non Submission of statement on Related Party Transactions for half year ended September, 30 2020	Fine of Rs. 1.75 lacs imposed (excluding GST at applicable rates)
2	National Stock Exchange of India	Delay in Submission of Financial Results for Quarter ended March 31, 2019	Fine Imposed of Rs. 9,91,200 (Inc. GST @ 18%)
3	National Stock Exchange of India	Company have not complied with the Regulation 17 of LODR for the Quarter ended June 30, 2020	Fine Imposed of Rs. 5,36,900 (Inc. GST @ 18%)
4	National Stock Exchange of India	Company have not complied with the Regulation 17 of LODR for the Quarter ended September 30, 2020	Fine Imposed of Rs. 3,59,900 (Inc. GST @ 18%)
5	BSE Limited & National Stock Exchange of India	Non Appointment of Compliance Officer	Both the Stock Exchanges have imposed a Fine of Rs. 1,08,560/- each (Inc. GST @ 18%)
6	BSE Limited & National Stock Exchange of India	Delay in submission of Reg 31 -Shareholding Patten	Both the Stock Exchanges have imposed a Fine of Rs. 4,720/- each (Inc. GST @ 18%)
7	BSE Limited & National Stock Exchange of India	Non Appointment of Compliance Officer	National Stock Exchange of India Limited has imposed a fine of Rs. 1,38,000/- excluding GST at applicable rates and BSE Limited has imposed a fine of Rs 1,39,000/- excluding GST at applicable rates
8	BSE Limited & National Stock Exchange of India	Delay in Submission of Annual Secretarial Compliance report for the year ended 31st March 2021	Both the Stock Exchange have imposed a Fine of Rs 4,000/- each excluding GST at applicable rates

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

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

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

v. During the year under review, the Company has not entered into Commodity Hedging activities.

vi. Directors' Responsibility Statement: The RP & Directors in their report have confirmed that the annual accounts for the year ended March 31, 2022 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

vii. Payment to Statutory Auditors:

The details of fees paid to M/s. Singhi & Co, Chartered Accountants, Statutory Auditors by the Company and its subsidiaries during the year ended March 31, 2022 are as follows:

Particulars	Amount (Rs. in Million)
Audit Fees	1.00

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

The details of Complaints are as under:

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

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

x. Policy on prohibition of insider trading: The Company has formulated the "Code Of Conduct For Prohibition Of Insider Trading And Unpublished Price Sensitive Information Of Mercator Limited" in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, from time to time. Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Trading Window for dealing in the securities of the Company by the designated persons remains closed during the period from end of every quarter /year till the expiry of 48 hours from the declaration of quarterly / yearly financial results of the Company.

xi. Non-appointment of Company Secretary of the Company: As on March 31, 2022, the Company does not have a Company Secretary.

xii. Subsidiary Companies: As at March 31, 2022; the Company had total 27 subsidiaries. However, since the financials of the subsidiaries are not available, hence the materiality cannot be determined. The Company has formulated a policy for determining Material Subsidiaries, and the same is available on the website of the Company at www.mercator.co.in.

xiii. Dividend: In view of accumulated losses, your Company has not recommended any dividend for the Financial Year ended on March 31, 2022.

xiv. Listing of shares: The Equity Shares of the Company are listed on BSE Limited (Scrip Code: 526235) and National Stock Exchange of India Limited (Scrip Symbol: MERCATOR) and the annual listing fees in respect of the year 2021-22 and 2022-23 have been paid to the exchanges.

xv. Market Price Data: The monthly high and low quotations of closing prices of shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during each month in Financial Year 2021-22 are as follows:

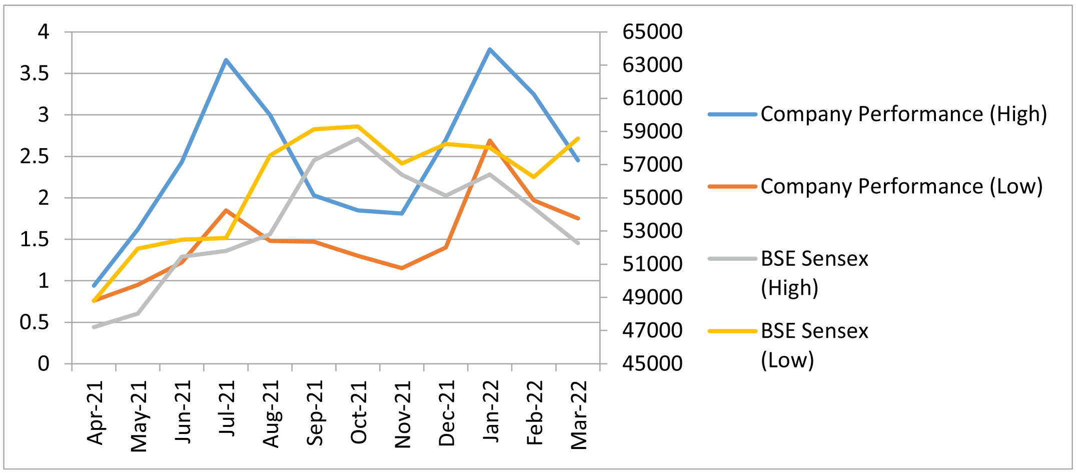
Month	BSE Share Price* (Rs.)		NSE Share Price** (Rs.)	
	High	Low	High	Low
April-21	0.94	0.76	0.85	0.75
May-21	1.62	0.95	--	--
June-21	2.43	1.22	--	--
July-21	3.66	1.85	3.45	1.85
August-21	3	1.48	2.95	1.65
September-21	2.03	1.47	2	1.5
October-21	1.85	1.3	1.8	1.65
November-21	1.81	1.15	--	--
December-21	2.7	1.4	2.5	1.4
January-22	3.79	2.69	3.45	2.6
February-22	3.25	1.97	3.2	2
March-22	2.45	1.75	2.45	1.9

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

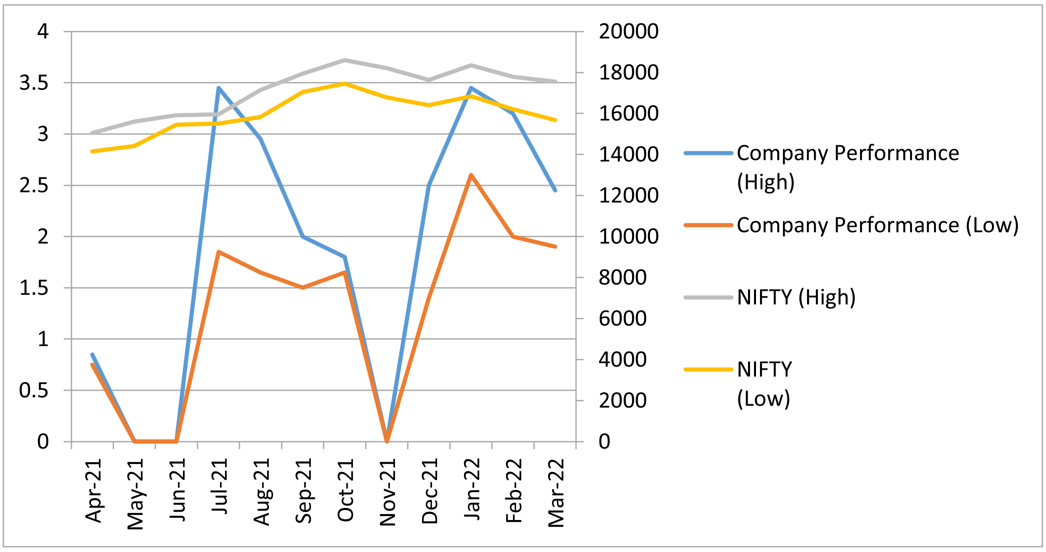
xvi. Performance in comparison to BSE SENSEX & NSE NIFTY-50

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

BSE SENSEX:



NSE NIFTY -50



xvii.Distribution of Equity Shareholding as on March 31, 2022:

Shareholding of nominal value of	No. of Shareholders	% to total Shareholders	No. of Shares	% to total Capital
UPTO 500	71215	63.7636	12210518	4.0371
501 - 1000	14793	13.2452	12859759	4.2517
1001 - 2000	9254	8.2857	14845015	4.9081
2001 - 3000	4400	3.9396	11518156	3.8082
3001 - 4000	1871	1.6752	6832578	2.2590
4001 - 5000	2696	2.4139	13115033	4.3361
5001 - 10000	3834	3.4328	30219918	9.9914
10001 AND ABOVE	3623	3.2439	200858358	66.4084
TOTAL	**111686**	**100**	**302,459,335**	**100.00**

xviii. Category of Equity Shareholding as on March 31, 2022:

Sr. No	Category	No. of Shares	% of holding
1	Promoters & Promoter Group	20677450	6.84
2	Banks; FIs etc.	3000	0.00
3	FIIs/FPIs	5500	0.00
4	Private Corporate Bodies	34161143	11.29
5	Central Government/State Government	2,500	0.00
6	Indian Public and others	238758236	78.94
7	NRIs / OCBs	5904206	1.95
8	Clearing members	1862386	0.62
9	IEPF	1084914	0.36
	Total	**30,24,59,335**	**100.00**

XIII. CEO/CFO Certification: Pursuant to Regulation 17(8) of Listing Regulations, the certificate from Mr. Mangesh Mukund Deokar Bhosale, Chief Financial Officer and Mr. Harish Kumar Mittal, Whole Time Director of the Company, in respect of the financial year ended on March 31, 2022 has been annexed to this report.

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

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

XVI. Compliance: The Company has complied with the provisions of the Listing Regulations and any amendments thereof. The Company has complied with the mandatory requirements of Corporate Governance requirements 17 to 27 and 46 of Listing Regulations.

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

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

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

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

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

(d) **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** There is no Chief Executive Officer or Managing Director in the Company. The Meetings are chaired by the Resolution Professional.

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

XVIII. Loans and Advances in which Directors are interested

During the year under review, the Company has not provided any loans and advances to any firms/companies in which Directors are interested.

DECLARATION ON CODE OF CONDUCT

In compliance with the requirements of the Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2022.

Dated: May 28, 2022

CEO/CFO CERTIFICATE

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

This is to certify that:

(a) We have reviewed financial statements (Consolidated and Standalone) and the cash flow statement for the for the financial year ended on March 31, 2022 and that to the best of our knowledge and belief:

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

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

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended March 31, 2022 which are fraudulent, illegal or violative of the company's code of conduct.

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

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

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

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

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

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

For Mercator Limited

H K Mittal
Whole Time Director
(Suspended)

Mangesh Mukund Deokar Bhosale
Chief Financial Officer

Place: Mumbai
Dated: May 28, 2022

Certificate of Non-Disqualification of Directors

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that all the Directors on the Board of the Company as stated below, as on and for the Financial Year ended on 31st March, 2022 have incurred disqualification from being appointed as director of any other company and from being reappointed as Director of the Company when their current tenure gets determined, in terms of the provisions of Section 164(2) of the Companies Act, 2013.

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

Further, Ms. Ritu Vats who was appointed as an Independent Director on 23rd September 2020, is yet to apply to the Indian Institute of Corporate Affairs (IICA) for inclusion of her name in the databank (set up and maintained by IICA) as required under Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Section 150 of the Companies Act, 2013. As required under the said rule, the application for registration in the database mentioned above is a pre-requisite before being appointed as an Independent Director. Furthermore, the registration of Mr. Jagmohan Talan with the databank maintained by IICA expired on 23rd September 2021, which was not renewed till the date of this report.

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

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

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

Place: Mumbai
Date: May 28, 2022
UDIN: F006252D000407950

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

TO THE MEMBERS OF MERCATOR LIMITED

We have examined the compliance of the conditions of Corporate Governance procedures implemented by Mercator Limited **(the "Company")** for the Financial Year ended on March 31, 2022 as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(the "Listing Regulations")** pursuant to the Listing agreement of the Company with the Stock Exchanges and we have examined the relevant records of the Company in accordance with the Guidance Note on Corporate Governance Certificate issued by The Institute of Company Secretaries of India (the "ICSI").

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

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

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

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

Place: Mumbai
Date: 09th August 2022
UDIN: A045096D000765706

Signature:
CS DHRUTI SATIA
Practicing Company Secretary
FCS No. 45096 C P No. 21346

ANNEXURE - A

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

S. N.	Particulars	Remarks
1	**Reg. 4(1)(d):** Listed entity shall provide adequate and timely information to recognised Stock Exchange(s) and investors.	Stock Exchange(s) has called upon the Company to provide certain information relating to unclaimed shares. Further, the Company had received first reminder on November 3, 2020, also physical letter was sent to Company by registered post on November 10, 2020 in relation to compliance with Regulation 39(4) read with Schedule VI. However, the Company has not replied to the same.
2	**Reg. 6:** A listed Company shall Appointment a Qualified Company Secretary as the Compliance Officer.	The Company did not appoint a Compliance Officer till August 18, 2021. Thereafter, Mr. Rajendra Kothari, who is a qualified Company Secretary and a Member of the Institute of Company Secretaries of India bearing Membership No. A6086, was appointed as the Compliance Officer of the Company w.e.f. 18 August 2021 and post his resignation on February 28, 2022, Mr. Mangesh Mukund Deokar Bhosale, who is a qualified Company Secretary and a Member of the Institute of Company Secretaries of India, was appointed as Compliance Officer w.e.f. March 01, 2022.
3	**Reg. 17(1):** The Board of Directors of top 2000 listed entities shall comprise of not less than 6 Directors. The Company was in the top 2000 Companies based on market capitalisation as on March 31, 2022.	The Board strength is of 3 Directors which comprises of 2 Independent Directors and 1 Whole-Time Director. The Company is yet to comply with the requirements.
4	**Reg. 17(3):** The board of directors shall periodically review compliance reports pertaining to all laws applicable to the listed entity, prepared by the listed entity as well as steps taken by the listed entity to rectify instances of non-compliances.	Based on scrutiny of the minutes of meetings of RP & Directors held during the year, the Minutes does not elaborate the details of the review of compliance reports pertaining to all laws applicable to the Company Further, the Minutes does not mention about the steps taken by the Board to rectify the same. Thus, the Company has not complied with the requirement.
5	**Reg. 17(10):** Evaluation of Independent Director shall be done by the entire Board of Directors.	Based on scrutiny of the minutes of meetings of RP & Directors during the year, it is noted that the evaluation of independent directors has not been done; the aforesaid default is also disclosed in the Directors Report for the Financial Year 2020-21.
6	**Reg. 18(1)(e):** The Company Secretary shall act as the secretary to the Audit Committee.	The Company does not have a Qualified Company Secretary.
7	**Reg. 24(1):** At least one Independent Director on the Board of Directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India or not.	The Company has not appointed its Independent Director on the Board of its 4 Material Subsidiaries; however these material subsidiaries are also under Corporate Insolvency Resolution Process. Management has confirmed that during the period under review has not received Financial Statements from its Subsidiaries Companies. Hence the Company could not determine the materiality of its subsidiaries due to non-availability of financials.

S. N.	Particulars	Remarks
8	**Reg. 24(3):** The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the listed entity.	On scrutiny of minutes of meeting of RP & Directors of the Company it is noted that due to non-availability of the minutes of board meeting of unlisted subsidiaries, the same have not been placed before the RP & Directors of the Company, however the material subsidiaries are also under CIRP.
9	**Reg. 24A:** Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex with its annual report, a Secretarial Audit Report, given by a Company Secretary in Practice, in such form as may be specified.	During the period under review, the unlisted material subsidiaries have not undertaken Secretarial Audit.
10	**Reg. 24A(1):** Secretarial Audit Report of material subsidiaries has to be annexed with the annual report of the company.	The material subsidiaries have not been subjected to secretarial audit. hence, the Company could not comply with same.
11	**Reg. 24A (2)** -Secretarial Compliance Report has to be submitted to stock exchanges within 60days from the end of the Financial Year. The timeline for submission was extended by SEBI to 30th June 2021.	The submission of Annual Secretarial Compliance Report for the year ended 31st March 2021 was delayed. The said report has been submitted on 02nd July,2021 i.e. the submission has been delayed by 2 days.
12	**Reg. 25(3):** Independent Director shall meet at least once in a year.	Since the powers of the Board have been suspended, the meeting of the Independent Directors of the Company has not been held during the year.
13	**Reg. 25(7):** The listed entity shall familiarise the Independent Directors through various programmes about the listed entity.	The Company being under CIRP, has not complied with this Regulation.
14	**Reg.27(2)(c) :** The Quarterly Report on Corporate Governance Shall be signed either by the Compliance Officer or the Chief Executive Officer of the listed entity.	Quarterly Report for the quarter ended 31st March 2021 and 30th June 2021 has been signed by Chief Financial Officer of the Company.
15	**Reg. 30 wrt Sch III Part A, Para A- 4(h):** Listed entity shall submit the quarterly financial results to the Stock Exchange(s) within 30 minutes of the closure of the meeting in which the same were approved.	The Annual Financial Results for the year ended 31.03.2021 were approved in the meeting of board of directors held on 23rd June 2021(Conclusion of the Meeting 5.30 P.M.), the submission to the Stock Exchanges was made on 24.06.2021.
16	**Reg. 33 (2)(a):** While placing the quarterly financial results before the board of directors, the Chief Executive Officer and Chief Financial Officer of the listed entity shall certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.	The Chief Executive Officer have not certified the quarterly financial results. However the Chief Executive Officer has resigned from 21st June 2021 which was accepted by the Committee of Creditors w.e.f 12th August 2021.
17	**Reg. 33 (3)(h):** The listed entity shall ensure that, for the purposes of quarterly consolidated financial results at least 80% of each consolidated revenue, assets and profits respectively, shall have been subject to audit or limited review, as case may be.	The Company has not complied with the said regulation in respect of financial results for all the quarters.
18	**Reg. 46:** The listed entity shall disseminate prescribed information on its website.	The Company being under CIRP, it has been maintaining a special purpose website (www.mecator.co.in); However it does not include all mandatory information prescribed in the said regulation; further in view of the above, we are unable

S. N.	Particulars	Remarks
		to ascertain compliance with regard to updation in the content.
19	Company shall formulate certain mandatory policies	We are unable to confirm compliance with the requirement as the Company was unable to show the following policies for verification: 1) Policy on Preservation of Documents 2) Policy on materiality of events/information [Reg. 30 (4)ii] 3) Risk Management Plan [Reg. 17(9)b] 4) Archival Policy [Reg. 30(8)]

Note: In terms of Sub-Regulation (2A) and (2B) of Regulation 15 which came into effect vide SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, the provisions as specified in Regulations 17 to 21 shall not be applicable to the listed entity which is undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Further, as per the Hon'ble NCLT Order passed on February 8, 2021 the Company is under Corporate Insolvency Resolution Process. Thus, the provisions specified in Regulations 17 to 21 shall not be applicable to the Company only for the Quarter ended March 31, 2022.

Place: Mumbai
Date: 09th August 2022
UDIN: A045096D000765706

Signature:
CS DHRUTI SATIA
Practicing Company Secretary
FCS No. 45096 C P No. 21346

Independent Auditor's Report

To The Members of Mercator Limited

Report on the Audit of Standalone Financial Statements

Adverse Opinion

We have audited the accompanying Standalone Financial Statements of Mercator Limited (hereinafter referred as "the Company"), which comprise the Balance Sheet as at March 31 2022, the Statement of Profit and Loss, [including Other Comprehensive Income], the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter(s) described in the 'Basis for Adverse Opinion' section of our report, the accompanying Standalone Financial Statements do not give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit [including other comprehensive income], its cash flows and the statement of changes in equity for the year ended on that date.

The Hon'ble National Company Law Tribunal, Mumbai (NCLT) has admitted the petition of Financial Creditors under Insolvency and Bankruptcy Code (IBC) 2016 (hereinafter referred to as the "Code") vide its Order dated February 8, 2021. As per Section 17 of the IBC, the powers of the Board of Directors of the Company have been suspended and such powers have been vested with Mr. Girish Siriram Juneja as the Resolution Professional (hereinafter referred to as the "RP"), by the NCLT vide its aforesaid order to manage the affairs of the Company as per the provisions of IBC.

Basis for Adverse Opinion

We draw attention to –

a. Note No. 3.20 of the Standalone Financial Statements, regarding preparation of the statement on a going concern basis. The Company's financing arrangements have expired and substantial amounts have been recalled and are due and payable as on March 31, 2022. Besides the NCLT has admitted the petition of the Financial Creditors vide its Order dated February 8, 2021 and proceedings under the Code have been initiated on the company. The Company has substantial investments and loans and advances receivable from subsidiary companies and other disputed receivables, which are not readily realizable and the Company's net worth has also been fully eroded, along with inability to meet its current liabilities which substantially exceeds its current assets. The Company had substantially disposed-off its Property, Plant and Equipment and currently doesn't have any operating revenue and operating assets. Further, the Resolution Plans which were submitted before the CoC for their consideration and voting, have failed to receive the requisite votes in terms of the provisions of the Code and accordingly, an application for liquidation has been filed in terms of section 33 of the Code, which is pending adjudication by the NCLT. As the Company is unable to meet it current liability and erosion of net worth and liquidation application filed by the RP, we conclude that the going concern assumption has been vitiated.

b. Note No. 3.21 of the Standalone Financial Statements, regarding the balances restated in the books of accounts pursuant to admission of the claims submitted by the financial creditors, of which as on March 31, 2022. As confirmed by RP, no claim is pending for verification with Resolution Professional (RP). We have relied on the adjustments made by the RP w.r.t. the claims received and are unable to comment on the adjustment, if any, arising on any pending claim or claim not received on the standalone financial statements of the Company.

c. Note No. 3.22, regarding interest or any other charges not being accrued in the books of accounts from the date of commencement of CIR process, i.e. February 8, 2021 onwards.

d. Note No. 3.23, regarding the Company's investments in its wholly owned foreign subsidiary Mercator International Pte Ltd. (MIL) which was been impaired in full, amounting to Rs. 4,293.67 million equivalent to USD 55.65 million (excluding investment in equity shares – Rs. 2.88 million) as on March 31, 2022. The significant investment of MIL is in its coal mines and related infrastructure in Indonesia and the valuation of these assets was conducted on December 31, 2020 by an independent valuer, and the same is the only and latest information available with the management / RP. Further, we have been informed by the management / RP that a liquidator has been appointed on MIL effective April 9, 2021 and also audited financial statement of MIL are not available with the Company.

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

e. Note No. 3.05 and 3.05(iii) of the Standalone Financial Statements, regarding unprovided current tax demands under dispute to the tune of Rs. 867.50 million pending at various judicial forums of the Income Tax department, which are treated as contingent liabilities. In the absence of the required supporting documents justifying the stand of the Company we are unable to comment on final outcome of such contested statutory demands and the potential financial impact of the same.

f. Note No. 3.24 of the Standalone Financial Statements, regarding termination of Sagar Samrat Conversion Project (SSCP), undertaken by a subsidiary Mercator Oil & Gas Ltd. (hereinafter referred as "MOGL" or "subsidiary"), by ONGC, which is currently under arbitration. The Company has investments in equity amounting to Rs. 1.50 million, which has been fully impaired in previous years and loans amounting to Rs. 985.10 million (which includes un-serviced interest amounting to Rs. 330.20 million, excluding impairment of Rs. 385.60 million), and the balance as per the financial results net of impairment amounts to Rs. 599.50 million as at March 31, 2022 in MOGL, which in the view of the management / RP is recoverable. The petition filed in NCLT, Mumbai Bench by an operational creditor against MOGL was admitted vide Order dated June 30, 2021 and an Interim Resolution Professional (IRP) has been appointed. We have been informed by the management / RP that no financial statement / financial results / financial information of MOGL as on March 31, 2022 is being made available to the Company.

   Further, the Company have also accounted for Rs. 28.60 million as interest income during the year, out of which 50% has been impaired.

   In view of the non – availability of the financials statement / financial information and updates on other matters as stated above of MOGL as on March 31, 2022, we are unable to comment on the recoverability of such investment and loan amount.

g. Note No. 3.25 of the Standalone Financial Statements, regarding the Company's investments in its Indian subsidiary Mercator Petroleum Ltd. (hereinafter referred to as "MPL") amounting to Rs. 479.30 million, (excluding impairment of Rs. 161.70 million during the year) and loan (including Debentures) given amounting to Rs. 1,208.70 million (including un-serviced interest of Rs. 492.10 million and excluding impairment of Rs. 226.30 million) as on March 31, 2022, and the balance as per the standalone financial statements including investments and loans amounts to Rs. 1,300 million, which are considered recoverable. Further, the petition filed in NCLT, Mumbai Bench by an operational creditor against MPL was admitted vide Order dated August 31, 2020 and an Interim Resolution Professional (IRP) has been appointed. We have been informed by the management / RP that no financial statement / financial results / financial information of MPL as on March 31, 2022 is being made available to the Company.

   Further, the Company have also accounted for Rs. 66.10 million as interest income during the year, which has been fully impaired.

   In view of the non – availability of the financials statement / financial information and updates on other matters as stated above of MPL as on March 31, 2022, we are unable to obtain sufficient appropriate evidence about the recoverability of such investment and loan given.

h. Note No. 3.26 of the Standalone Financial Statements, regarding the fact that no Financial Statement / Financial Information (including balance confirmations) of any of the subsidiaries have been made available to the management / RP for the purpose of preparation of consolidated financial statements for the year ended March 31, 2022. In the view of the non – availability of any financial information, we are unable to obtain sufficient appropriate evidence about the recoverability of such investments and loans and advances given which are outstanding as on March 31, 2022.

i. Note No. 3.27 of the Standalone Financial Statements, regarding balance confirmations not been received in respect of any secured / unsecured loans, bank balance, trade receivables, trade and other payables, and loans and advances as a result of which reconciliation process and consequential adjustments, if any, has not been carried out. Further, in the view of the management / RP, all the balances outstanding to be receivable are to be considered as good and no additional provisioning on account of non – recoverability or expected credit loss is required. Further, bank statements of certain bank accounts are also not available. In the view of the non – availability of balance confirmation or documents substantiating balances, we are unable to comment on the impact of the same on the Financial Statements of the Company and compliance of relevant Ind-AS. Further, the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts as on March 31, 2022 are under reconciliation with the available regulatory records and any impact of the same is not known as on the date of Financial Statements.

j. Note No. 3.28 of the Standalone Financial Statements, the Company has failed to pay the installment due of the debentures on the due date and failed to pay the interest due thereon for a continuous period of more than a year. Hence, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.

k. Note No. 3.44 of the Standalone Financial Statements, wherein the Company has failed to obtain and provide relevant details supporting these disclosures. Hence, we are unable to comment on the completeness and the accuracy of the information stated.

   We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the

Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion on the Standalone Financial Statements.

Emphasis of Matter

We draw attention to –

a. Note No. 3.30 of the Standalone Financial Statements, regarding receivable from an insurance Company amounting to Rs. 542.80 million pertaining to a total loss claim on a vessel pertaining to the year 2012-13, which is under litigation and has been considered fully recoverable by the management / RP and is supported by a legal opinion.

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

Key Audit Matters

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

Sr.No.	Key audit matters	How our audit addressed the key audit matter
1	**Provisions for Impairment of investments, Loans and advances, Receivables** Refer Note No. 2.2 and 2.7 to the Standalone Financial Statements. The Gross Value of investments as on March 31, 2022 is Rs. 5,143.49 million (total provision held Rs. 4,506.99 million), of Loans and advances is Rs. 1,912.68 million (total provision held Rs. 646.79 million) and of Receivables is Rs. 163.17 million (total provision held Rs. 163.17 million). The Company has provided for an additional amount of Rs. 94.68 million pertaining to impairment of loans and advances to its subsidiaries, during the year. This has been done basis evaluation conducted by the management / RP and developments in its various lines of business during the year of its investments, loans and advances, receivables and payables. These items are material and non-recurring adjustments carried out in the Standalone Financial Statements basis management / RP judgements and estimates requiring specific audit procedures to be conducted by us.	**Our Audit Approach** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: 1. We gained an understanding of the key operating controls around testing of recoverability of investments, loans and advances and receivables. 2. We obtained the list of investments, loans and advances that were impaired/ provided or written back along with the rationale and appropriate approvals for the same. 3. We read the Financial Statements / financial information available for these entities. 4. We held discussions with the management / RP about the recoverability of the loans and also significant changes that has taken place since the last reporting. 5. We reviewed the minutes of the Audit committee and Board of Directors approving the same. 6. We reviewed the work and relied upon reports or evaluation by experts wherever applicable. 7. We tested on sample basis the correspondence and documentation relating to these provisions/ write backs/ write off, wherever available. We have assessed the appropriateness of the provision based on the assumptions considered by the management / RP and above-mentioned audit procedures conducted by us and elaborated our findings in the "Basis for Adverse Opinion" and "Emphasis of Matter" sections of our report. We have also reviewed whether appropriate disclosures are made in the Standalone Financial Statements.

Sr.No.	Key audit matters	How our audit addressed the key audit matter
2.	**Provisions recognized and contingencies disclosed with regard to certain legal and tax matters** Refer Note 3.21 and 3.05 to the Standalone Financial Statements. The Company is involved in several ongoing litigations including direct and indirect tax litigations. The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management / RP to make judgement and estimates in relation to the issues of each matter. The Company recognizes a provision when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The management / RP has estimated the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability, in the absence of any opinion or advise of experts. We have identified litigations, provisions and contingencies as a key audit matter because it requires the management / RP to make judgements and estimates in relation to the exposure arising out of litigations. The key judgement lies in the estimation of provisions where they may differ from the future obligations.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: 1. We assessed the value of the provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondences with the authorities. 2. We have reviewed and held discussions with the management / RP to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets. 3. We have also discussed with the management / RP significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. 4. We have assessed the appropriateness of provisioning based on assumptions made by the management / RP and presentation of the significant contingent liabilities in the financial statements. We have assessed the appropriateness of assumptions considered by the management / RP and above-mentioned audit procedures conducted by us and elaborated our findings in the "Basis for Adverse Opinion". We have also reviewed whether appropriate disclosures are made in the Standalone Financial Statements.

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

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

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

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

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

Responsibilities of the Management / RP for the Standalone Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of an internal control.

- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in those circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management, Board of Directors and RP.

- Conclude on the appropriateness of the management, Board of Directors and RP use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are elaborated in the 'Basis of Adverse Opinion' section of our report, and are based on the audit evidence obtained up to the date of our auditor's report.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so we would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

   (e) The matters described in the Basis for Adverse Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) We have not received any written representations for any of the directors as on March 31, 2022 in terms of Section 164 (2) of the Act. However, considering the fact, that the Company has defaulted in repayment of Non – Convertible Debentures in earlier years, in our opinion, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.

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

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

   (i) In our opinion, and to the best of our information and according to the explanations given to us, the Company has not paid or provided for any managerial remuneration for the year under audit.

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

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

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

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

      iv. To be read with point (k) of Para "Basis for Adverse Opinion"

         (a) The Management / RP has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 3.44 to Standalone Financial Statements);

(b) The Management / RP has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 3.44 to Standalone Financial Statements); and

(c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, to be read with section "Basis for Adverse Opinion" above; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared / paid any dividend during the year and hence clause related to compliance with Section 123 of the Act is not applicable.

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

Shweta Singhal
Partner
Membership Number: 414420

Place: Mumbai
Date: May 28, 2022
UDIN No: 22414420AJUPIC5953

Annexure A to the Independent Auditor's Report

Annexure A referred to in paragraph 1 of the Independent Auditor's Report of even date to the members of Mercator Limited (the "Company") in the Standalone Financial Statements as of and for the year ended March 31, 2022 under the heading "Report on other Legal and Regulatory requirements".

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

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

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

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

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

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets during the year.

(e) According to the information and explanations given to us, to be read with point (k) of Para "Basis of Adverse Opinion" of the Audit Report, no proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

ii. (a) As per the information and explanations given to us, the Company doesn't hold any inventory as on March 31, 2022. Accordingly, provisions of the paragraph 3(ii) of the Order are not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in earlier years in aggregate, from banks or financial institutions on the basis of security of current assets. Basis the information and explanation provided to us and basis our audit procedures undertaken, to be read with point (k) of Para "Basis for Adverse Opinion", we note that no quarterly returns / statements filed have been filed by the company with such banks or financial institutions. Hence, we are unable to comment on this clause.

iii.: a. During the year, the Company has not provided loans or advances in the nature of loans, or guarantee, or security to any entity. Accordingly, provisions of the paragraph 3(iii)(a) of the Order are not applicable to the Company.

b. During the year, the Company has not made any investments or provided any guarantee or given any security provided to any entity. Accordingly, provisions of the paragraph 3(iii)(b) of the Order are not applicable to the Company.

In our opinion, the rate of interest and other terms and conditions on which loans had been granted to the bodies corporate listed in the register-maintained u/s 189 of the Act were not, prima facie, prejudicial to the interest of the Company at the time these were granted. The Company has however impaired Rs. 94.68 million during the year towards the loans granted in earlier period and interest thereon.

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

d. There is no overdue amount for more than ninety days in respect of loans given in earlier years, as the same are repayable on demand.

e. There is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party, as basis the representation made by the management / RP the loans given in earlier years are repayable on demand, have not been recalled yet.

Annexure A to the Independent Auditor's Report

f. No fresh loan has been granted during the year which are either repayable on demand or without specifying any terms or period. Accordingly, provisions of the paragraph 3(iii)(f) of the Order are not applicable to the Company.

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

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

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

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

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

Basis of our examination of the records of the Company, there are no undisputed amounts payable which are deducted/accrued in the books of accounts in respect of Provident Fund, Employees' State Insurance, Income Tax, and any other statutory dues which were outstanding, at March 31, 2022 for a period of more than six months from the date they become payable except as under:

Name of the Statute	Nature of Dues	Amount (Rs in Million)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Goods and Service Tax (Various States)	CGST / SGST / IGST	129.10 (excluding Input Tax Credit)	May 2018 to September 2021	Various due dates	Not paid until date of Signing of Financial Statements	
Goods and Service Tax (Tax Collected at Source)	GST TDS	1.66	October 2018 to March 2020	Various due dates		
Income tax (Tax Collected at Source)	TCS	0.48	Nov-19	Various due dates		
Service Tax	Service Tax	102.24 (excluding Input Tax Credit)	August 2010 to August 2019	Various due dates		
Withholding Tax	TDS	1.14		Various due dates		
Profession Tax	Profession Tax	0.00	Upto September 2021	Various Due Dates		

(b) According to the information and explanations given to us, the dues of, Income Tax, Service Tax and Cess which have not been deposited on account of any dispute and the forum where the dispute is pending as on March 31, 2022 are as under:

Name of the Statue	Nature of Dues	Amount (Rs. in Million)	Period to which the amount relates	Forum where the disputes are pending
Service Tax under Finance Act, 1994	Service Tax	640.29	2006-07 to 2015-16	CESTAT & CCE(A), Mumbai
Income Tax	Income Tax	4.43	AY 2003 – 04	Commissioner of Income Tax (A)
		41.67	AY 2007 – 08	ITAT
		236.34	AY 2008 – 09	ITAT
		122.16	AY 2009 – 10	ITAT
		5.38	AY 2010 – 11	ITAT
		27.43	AY 2011 – 12	ITAT
		15.47	AY 2012 – 13	ITAT
		43.65	AY 2013 – 14	ITAT
		42.75	AY 2014 – 15	ITAT
		92.51	AY 2015 – 16	Commissioner of Income Tax (A)
		85.49	AY 2016 – 17	Income Tax Officer
		56.84	AY 2017 – 18	Dispute Resolution Panel
		93.40	AY 2018 – 19	Dispute Resolution Panel

viii. According to the information and explanations given to us, to be read with point (k) of Para “Basis for Adverse Opinion”, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

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

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

Sr. No.	Name of Lender	Borrowings		Interest	
		Amount (Rs. in Million)	Period (in days)#	Amount (Rs. In Million)	Period (in days)#
Long Term					
1	Axis Bank Limited	2,248.32	679	439.60	Ranging between 91 – 679 days
2	Export and Import Bank of India	616.95	569	67.10	313
3	ICICI Bank Limited	1,864.89	679	412.10	679
4	AION Direct Private Limited	1,165.80	313	188.90	614
5	UTI Capital Private Limited	1,475.70	313	1,687.50	712
Short Term					
6	ICICI Bank Limited	30.64	444	45.30	679
7	Other Financial Lenders #	205.00	679	96.90	679
8	State Bank of India	1,659.70	Ranging between 640-649 days	614.30	Ranging between 640 – 649 days
9	Yes Bank Limited	200.00	456	81.30	314

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

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

b. To be read with point (k) of Para "Basis of Adverse Opinion" of the Audit Report, basis the information and explanation provided to us, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

c. According to the information and explanations given to us and to the best of our knowledge and belief, in our opinion, no term loans has been availed by the Company during the year. Accordingly, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.

d. On an overall examination of the financial statements of the Company, no funds were raised on short-term basis during the year. Accordingly, reporting under paragraph 3(ix)(d) of the Order is not applicable to the Company.

e. On an overall examination of the financial statements of the Company, no funds were raised on during the year. Accordingly, reporting under paragraph 3(ix)(e) of the Order is not applicable to the Company.

f. On an overall examination of the financial statements of the Company, no funds were raised on during the year. Accordingly, reporting under paragraph 3(ix)(f) of the Order is not applicable to the Company.

x. a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.

b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.

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

b. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

c. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the Information and explanations given to us, the Company has not received any whistle- blower complaints during the year.

xii. The Company is not a Nidhi company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

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

xiv. (a) In our opinion and based on our examination, though the Company has appointed Internal Auditor, however the same doesn't commensurate with the size and nature of the Company's business.

(b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company till date for determining the nature, timing and extent of audit procedures.

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

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

xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has incurred cash losses of Rs. 36.71 million during the financial year covered by our audit and the immediately preceding financial year of Rs. 97.30 million.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under Clause (xviii) is not applicable

xix. According to the information and explanations given to us and based on our examination of records of the Company including evaluation of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, to be read with point (a) of Para "Basis for Adverse Opinion", we are of the opinion that in the absence of any resolution, the Company doesn't have any ability to continue as a Going Concern entity.

xx. According to the information and explanations given to us, the Company was not required to spend any amount u/s 135 of the Companies Act, 2013 for the year ended March 31, 2022. Further, there is no unspent amount related to earlier years, which is outstanding as on March 31, 2022. Accordingly, paragraph 3(xx) of the Order is not applicable to the Company.

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

Shweta Singhal
Partner
Membership Number: 414420

Place: Mumbai
Date: May 28, 2022
UDIN No: 22414420AJUPIC5953

Annexure - B to The Independent Auditor's Report

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

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

Adverse Opinion

We have audited the internal financial controls with reference to the financial statements of **MERCATOR LIMITED** ("**the Company**") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial control with reference to the financial statements as at March 31, 2022:

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

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

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

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

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

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

In our opinion, because of the effects of the material weaknesses described above, the Company has not maintained, adequate and effective internal financial controls with reference to the financial statements as of March 31, 2022, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature timing and extent of audit tests applied in our audit of March 31, 2022 standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

Management's / RP's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to the financial statements

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

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

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

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

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

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management / RP override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Shweta Singhal
Partner
Membership Number: 414420

Place: Mumbai
Date: May 28, 2022
UDIN No: 22414420AJUPIC5953

Standalone Balance Sheet

as at March 31, 2022

₹ in Million

	Particulars	Note	As at March 31, 2022	As at March 31, 2021
A	ASSETS			
1	**Non- Current Assets**			
	(a) Property, Plant and Equipment and Intangible Assets			
	Property, Plant and Equipment	2.1	7.67	79.03
	(b) Financial assets			
	(i) Investments	2.2	636.50	636.50
	(ii) Other Financial Assets	2.3	0.26	0.26
	(d) Other Non Current Assets	2.4	11.07	16.14
	(e) Income Tax Assets (net)		559.75	548.32
	Total Non-Current Assets		**1,215.25**	**1,280.25**
2	**Current Assets**			
	(a) Financial Assets			
	(i) Trade Receivables	2.5	417.84	417.84
	(ii) Cash and Cash Equivalents	2.6(i)	22.92	15.08
	(iii) Bank Balances other than (ii) above	2.6(ii)	20.66	51.48
	(iv) Loans	2.7	1,265.89	1,237.24
	(v) Other Financial Assets	2.8	642.71	641.59
	(b) Other Current Assets	2.9	244.92	360.60
	Total Current Assets		**2,614.94**	**2,723.83**
	TOTAL ASSETS		**3,830.19**	**4,004.08**
B	EQUITY AND LIABILITIES			
1	**Equity**			
	(a) Equity Share Capital	2.10	302.46	302.46
	(b) Other Equity	2.11	(10,094.05)	(10,146.16)
	Total Equity		**(9,791.59)**	**(9,843.70)**
2	**Non - Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	2.12	-	-
	(ii) Other Financial Liabilities	2.13	0.30	0.30
	Total Non-Current Liabilities		**0.30**	**0.30**
3	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	2.14	2,253.74	2,253.74
	(ii) Trade Payables	2.15		
	- total outstanding dues of micro enterprises and small enterprises		3.79	3.54
	- total outstanding dues of creditors other than micro enterprises and small enterprises		428.97	431.14
	(iii) Other Financial Liabilities	2.16	10,841.24	11,060.89
	(b) Other Current Liabilities	2.17	91.88	96.31
	(c) Provisions	2.18	1.86	1.86
	Total Current Liabilities		**13,621.48**	**13,847.48**
	Total Liabilities		**13,621.78**	**13,847.78**
	TOTAL EQUITY AND LIABILITIES		**3,830.19**	**4,004.08**
	Basis of Preparation & Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements	2.1 to 3.46		

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

Shweta Singhal
Partner
Membership No : 414420
Place: Mumbai
Date: May 28, 2022

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Mangesh M. Deokar Bhosale
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: May 28, 2022

Statement of Profit and Loss

for the year ended March 31, 2022

₹ in Million

	Particulars	Note	Year Ended March 31, 2022	Year Ended March 31, 2021
	CONTINUING OPERATIONS			
	INCOME			
	(a) Revenue from Operations	2.19	-	68.55
	(b) Other Income	2.20	126.95	336.53
1	**Total Income**		**126.95**	**405.08**
	EXPENSES:			
	(a) Operating Expenses	2.21	-	147.79
	(b) Employee Benefit Expenses	2.22	3.35	28.80
	(c) Finance Costs	2.23	1.52	2,101.17
	(d) Depreciation and Amortisation expenses	2.1	0.97	1.26
	(e) Impairment Losses	2.24	46.46	116.43
	(f) Loss on Sale / Discard of Assets	2.25	-	22.59
	(g) Other Expenses	2.26	33.79	24.66
2	**Total Expenses**		**86.09**	**2,442.70**
3	**Profit/(loss) before exceptional items and tax from continuing operations (1 - 2)**		**40.86**	**(2,037.62)**
4	Less: Exceptional Items		-	-
5	**Profit/(loss) before tax from continuing operations (3- 4)**		**40.86**	**(2,037.62)**
6	**Tax expense:**			
	(a) Current tax	2.27	-	-
	(b) Deferred Tax	-	-	
	(C) Excess/(Short) provision of earlier years		11.25	(93.51)
	Profit /(Loss) for the period from continuing operations(5 - 6)		**52.11**	**(2,131.13)**
7	**Other comprehensive income**			
	Items that will not be reclassified to Statement of Profit and Loss			
	(a) Remeasurements of defined employee benefit plans		-	-
8	**Total Comprehensive Income /(Loss) for the year**		**52.11**	**(2,131.13)**
9	**Earnings per share (Equity share of Re. 1/- Each)**			
	Basic (In Rupees)	3.01	0.17	(7.05)
	Diluted (In Rupees)		0.17	(7.05)
	Basis of Preparation & Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements	2.1 to 3.46		

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

Shweta Singhal
Partner
Membership No : 414420
Place: Mumbai
Date: May 28, 2022

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Mangesh M. Deokar Bhosale
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: May 28, 2022

Statement of Cash Flow

for the year ended March 31, 2022

₹ in Million

	Particulars	Note	Year Ended March 31, 2022	Year Ended March 31, 2021
A	**Cash Flow from Operating Activities**			
	Net Profit / (Loss) before taxes		40.86	(2,037.62)
	Adjustment for:			
	Depreciation and Amortisation		0.97	1.23
	Credit balances written back/Expected Credit Loss reversal		-	(77.11)
	Finance Costs		-	2,101.18
	(Profit)/Loss on sale / discard of Property, Plant and Equipment (net)		(48.09)	22.59
	Impairment of Investments and loans to subsidiaries		94.68	135.00
	Impairment of Property, Plant and Equipment		-	(18.57)
	Expenses related to sale of Fixed assets		-	31.43
	Interest income		(125.13)	(121.51)
	Unrealised foreign exchange (gain) / loss (Net)		-	(133.92)
	Operating profit before Working Capital changes		**(36.71)**	**(97.30)**
	Adjustment for:			
	(Increase) / Decrease in Non Current Financial Loans		5.08	-
	Decrease/(Increase) in Other Financials and Current Assets		(0.04)	86.01
	Decrease/(Increase) in Trade receivables		-	41.68
	(Decrease)/Increase in Provisions		-	(0.03)
	(Decrease)/Increase in Trade payables		(1.91)	(39.71)
	(Decrease)/Increase in Other current liabilities		(6.87)	(14.94)
	Net Cash from Operating Activities		**(40.45)**	**(24.29)**
	Direct taxes paid (Net of refund)		(0.18)	102.89
	Total cash from / (used in) operating activities		**(40.63)**	**78.60**
B	**Cash Flow from Investing Activities**			
	(Increase) / Decrease in Capital Advances		-	(19.59)
	Proceeds from Sale of Fixed Assets		234.18	60.04
	Loan realisation from / (given) to Subsidiaries		(0.02)	(48.87)
	Bank deposits (Placed) / redeemed with banks (Net)		30.50	(50.00)
	Interest Received		0.70	-
	Net Cash from Investing Activities		**265.36**	**(58.42)**
C	**Cash Flow from Financing Activities**			
	Proceeds from Borrowings		14.50	30.59
	Repayment of Borrowings		-	(44.26)
	Interest paid		(231.39)	-
	Net Cash from Financing Activities		**(216.89)**	**(13.67)**
	Net Increase / (decrease) in cash and cash equivalents (A + B + C)		7.84	6.44
	Cash and Cash Equivalents as at beginning of the year		15.08	8.64
	Cash and Cash Equivalents as at end of the year		**22.92**	**15.08**
	Cash and Cash equivalent		22.92	15.08

Statement of Cash Flow (Contd..)

for the year ended March 31, 2022

Notes:

1 The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 , 'Statement of Cash Flows".

2 Cash and cash equivalents include Unclaimed Dividend accounts of ` Nil (Previous Year `Nil) which are not available for use by the company.

3 The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balance held in unpaid dividend bank accounts.

4 Reconciliation of changes in liabilities arising from financing activities including both changes arising from cash flows and non cash changes as per the requirement of amendment of Ind AS 7 :

₹ in Million

PARTICULARS	As at April 1, 2021	Cash Flows (Net)	Non - Cash Changes			As at March 31, 2022
			Fair Value Changes	Foreign Exchange Movement	Amortized Cost (including premium on redemption of NCD)	
Non Convertible Debenture (NCD)	1,475.73		-			1,475.73
Rupee Term loan from Bank	-		-			-
Foreign currency term loan from Bank	4,278.75	-	-	-		4,278.75
External Commercial Borrowing	451.40	-	-	-		451.40
Foreign Currency Convertible Bonds (FCCB)	1,165.80	-	-	-		1,165.80
Rupee Term loan from Financial Institution	189.69	-	-			189.69
Rupee Term loan from others	188.70	-	-			188.70
Working capital Loan	1,111.75	-	-			1,111.75
Rupee Short Term loan form Banks	778.59		-			778.59
Total	**9,640.41**	**-**	**-**	**-**		**9,640.41**

PARTICULARS	As at April 1, 2020	Cash Flows (Net)	Non - Cash Changes			As at March 31, 2021
			Foreign Exchange Movement	Foreign Exchange Movement	Amortized Cost (including premium on redemption of NCD)	
Non Convertible Debenture (NCD)	1,397.27	-	-	-	78.47	1,475.73
Rupee Term loan from Bank	-	-	-	-	-	-
Foreign currency term loan from Bank	4,341.45	(30.10)	(75.10)	42.50	-	4,278.75
External Commercial Borrowing	467.04	-	(15.42)	(0.22)	-	451.40
Foreign Currency Convertible Bonds (FCCB)	1,206.07	-	(39.79)	(0.48)	-	1,165.80
Rupee Term loan from Financial Institution	271.75	(10.00)	-	(72.06)	-	189.69
Rupee Term loan from others	154.30	-	-	34.40	-	188.70
Working capital Loan	1,006.15	26.40	-	79.20	-	1,111.75
Rupee Short Term loan form Banks	778.59	-	-	-	-	778.59
Total	**9,622.62**	**(13.70)**	**(130.31)**	**83.34**	**78.47**	**9,640.42**

5. Other Non cash movement" includes invocation of Letter of Comfort in previous year and subsequent realisation by way of sale of assets by subsidiary Company (Refer Note 3.30), IND AS movement and accrual of redemption premium.

6. Previous Year's figures have been regrouped wherever necessary to conform to the current year's classification

The accompanying notes are an integral part of the financial statements

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

Shweta Singhal
Partner
Membership No : 414420
Place: Mumbai
Date: May 28, 2022

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Mangesh M. Deokar Bhosale
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: May 28, 2022

Statement of Changes in Equity

for the year ended March 31, 2022

(a) Equity Share Capital

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of reporting period	302.46	302.46
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Add: Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting period	**302.46**	**302.46**

(b) Other Equity

₹ in Million

PARTICULARS	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Debenture Redemption Reserve	Retained Earnings	General Reserve	Tonnage Tax Reserve	Foreign Currency Monetary Item Translation Difference Account	Deemed Equity Component	Other Comprehensive Income Actuarial Gain (Loss) on Defined Benefit Obligation	Total
Balance at 1st April 2020	**428.95**	**400.00**	**5,907.58**	**250.00**	**(16,689.29)**	**1,676.33**	**-**	**0.00**	**3.58**	**7.82**	**(8,015.03)**
Profit / (Loss) for the Year	-	-	-	-	(2,131.13)	-	-	-	-	-	(2,131.13)
Other Comprehensive Income	-	-	-	-	-	-	-	-	-		-
	428.95	**400.00**	**5,907.58**	**250.00**	**(18,820.42)**	**1,676.33**	**-**	**0.00**	**3.58**	**7.82**	**(10,146.16)**
Increase /(decrease) during the year	-	-	-	-	-	-	-	-	-	-	-
Balance at 31st March 2021	**428.95**	**400.00**	**5,907.58**	**250.00**	**(18,820.42)**	**1,676.33**	**-**	**0.00**	**3.58**	**7.82**	**(10,146.16)**
Balance at 1st April 2021	**428.95**	**400.00**	**5,907.58**	**250.00**	**(18,820.42)**	**1,676.33**	**-**	**0.00**	**3.58**	**7.82**	**(10,146.16)**
Profit / (Loss) for the Year	-	-	-	-	52.11	-	-	-	-	-	52.11
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-
	428.95	**400.00**	**5,907.58**	**250.00**	**(18,768.31)**	**1,676.33**	**-**	**0.00**	**3.58**	**7.82**	**(10,094.05)**
Increase /(decrease) during the year	-	-	-	-	-				-	-	-
Balance at 31st March 2022	**428.95**	**400.00**	**5,907.58**	**250.00**	**(18,768.31)**	**1,676.33**	**-**	**0.00**	**3.58**	**7.82**	**(10,094.05)**

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

Shweta Singhal
Partner
Membership No : 414420
Place: Mumbai
Date: May 28, 2022

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Mangesh M. Deokar Bhosale
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: May 28, 2022

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

1. Basis of Preparation and Significant Accounting Policies

Corporate Information:

Mercator Limited (the "Company") is a public limited Company registered in India under the provisions of the Companies Act, 2013. Its shares are listed on the Bombay Stock Exchange and the National Stock Exchange of India. In addition to that, Foreign Currency Convertible Bonds (FCCB) of the Company is listed on debt segment of Singapore Stock Exchange (SGX).

A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code,2016 ('Code'). Pursuant to the order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who had been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC). As per requirements of the 'Code' and 'CIRP Regulations', the Resolution Professional had invited expression of Interest (EoI) from prospective Resolution Applicants (PRAs) to submit the Resolution Plan for the Company. The first round of Invitation of EoI was published on April 24, 2021 and the timelines to submit EoI were extended as approved by Committee of Creditors (CoC). Last date to submit EOI as per second round of Invitation of EoI (published on May 18, 2021) was on June 2, 2021 and the Resolution Professional had declared the final list of Resolution Applicants on July 7, 2021. The last date for submission of resolution plan was August 31, 2021, which was thereafter extended to September 6, 2021 basis the request received from the PRAs. The application seeking exclusion of the time period of 88 days i.e. from April 4, 2021 to June 30, 2021 from the overall CIRP period (due to the second wave of Pandemic and various restrictions imposed by Government of Maharashtra) was heard and allowed by the NCLT on August 9, 2021. The CIRP period was extended to November 3, 2021. Further, since certain Resolutions Plans were in hand which had to be put before CoC for voting, an application seeking extension of the CIRP time period by 90 days was heard and allowed by NCLT on November 11, 2021 whereby the CIRP period was extended up to February 1, 2022.

The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors (CoC) for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the Code. Accordingly, an application for liquidation of the Corporate Debtor has been filed in terms of section 33 of the Code, which is pending adjudication by the Adjudicating Authority.

1.1 Basis for Preparation

The standalone financial statements of Mercator Limited ("the Company") have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'IND-AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting generally accepted in India.

Items included in the IND-AS financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's IND-AS financial statements are presented in Indian Rupee (INR), which is also the Company's functional and presentation currency. All amounts in these IND-AS financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in million.

The standalone financial statements of Mercator Limited (hereinafter referred as "the Company") for the year ended March 31, 2022 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors chaired by the Resolution Professional (RP) held on May 28, 2022. The said standalone financial statements of the Company have been prepared by the management of the Company and certified by the Directors and Chief Financial Officer of the Company. The RP has relied upon the assistance provided by the members of the Audit Committee in review of the financial statements and certifications, representations and statements made by Directors of the Company in relation to these financial statements. As authorized, Directors and Chief Financial Officer of the Company have signed the financial statements and the RP has taken on record the said financial statements only to the limited extent of discharging the powers of the Board of Directors of the Company which has been conferred upon him in terms of provisions of Section 17 of the Code.

1.2 Historical cost convention

The IND-AS financial statements have been prepared on a historical cost convention, except for the following–

1. Certain financial assets and liabilities including derivative instruments are measured at fair value.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

2. Assets held for sale- measured at fair value less costs to sell

3. Defined benefit plans- plan assets measured at Fair value.

1.3 Use of estimates

The preparation of the IND-AS financial statements in conformity with the recognition and measurement principles of the IND-AS that requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at date of financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the IND-AS financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Critical estimates and judgements

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the IND-AS financial statements.

The major areas involving critical estimates or judgement are:

- Estimation of Defined benefit obligation – refer note 3.03
- Estimation of current tax expenses and Payable – refer note 3.12
- Scrap Value and Useful lives of property, plant and equipment –refer note 1.6
- Impairment of non-financial assets – refer note 1.7
- Impairment of Investments, Loans and Advances and Current Assets.
- Provisions for litigations, insurance claim receivables and claim of underperformance by client.
- Preparation of Financial Statements on Going Concern Basis

Estimation of uncertainties relating to the global health pandemic from Covid-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.4 Current versus non-current classification

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

All the assets and liabilities have been classified as current/non-current, as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

Based on the nature of services rendered by the Company and the normal time between the rendering of the services and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.5 Foreign Currency translation

(i) **Functional and presentation currency**

The Company's IND-AS financial statements are presented in Indian Rupee (INR), which is also the Company's functional and presentation currency.

(ii) **Transactions and balances**

Transactions in foreign currency are recorded at functional currency using the exchange rate at the date of accounting of the transaction. Non-

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

monetary items, which are measured in terms of historical costs denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the year-end are translated at closing rates. The difference in translation of long term monetary assets acquired and liabilities incurred prior to April 1, 2016 and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset; and in other cases, accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset / liability by recognition as income or expense. The difference in translation of all other monetary assets and liabilities and realised gains and losses on other foreign currency transactions are recognised in the Statement of Profit and Loss. They are deferred in Other Equity, if they relate to qualifying cash flow hedges. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or profit or loss are also recognised in Other Comprehensive Income or profit or loss, respectively). Exchange differences relating to Long term foreign currency monetary items incurred prior to April 1, 2016 are accounted in terms of para D13AA of Ind- AS 101 as under:

a. In so far as they relate to the acquisition of a depreciable capital asset, such differences are added to/deducted from the cost of such capital asset and depreciated over the balance useful life of the asset

b. In other cases, such differences are accumulated in "Foreign currency Monetary Items Translation differences account" and amortised in the statement of Profit and loss over the balance useful life of the long-term foreign currency monetary item.

1.6 Property, Plant and Equipment and Depreciation

Free hold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure including exchange difference capitalised as per para 1.5 (ii) above, brokerage and start-up costs on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Capital work-in-progress

Cost of assets not ready for intended use as on the balance sheet date, is shown as Capital work-in-progress.

Capital work-in-progress and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Dry docks are considered as component of fleet with estimated useful lives different than the main component of fleet. Cost relating to dry dock which is mandatorily required to be carried out as per the Classification Rules and Regulations is recognized in the carrying amount of ship and is depreciated/ amortised over 2.5 years. On transition to IND-AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and equipment.

Depreciation on property, plant and equipment is provided to the extent of depreciable amount on the Written Down value (WDV) method, except in case of Vessels, where depreciation is provided on Straight Line

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of Vessels, where useful life is considered as under based on technical evaluation or year of built:

Tankers, Dry Bulk carriers, Cutters, Dredgers 25 years except for two dredgers considered as 42 years and 60 years. For Gas Carriers, age considered is 30 years.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Residual value in case of vessels is estimated based on the closing rate for steel / metal rate published on London Metal Exchange (LME).

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

Intangible Assets and Amortization

Intangible assets are stated at acquisition cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over the estimated useful lives.

1.7 Impairment of non-financial assets

Non-financial assets other than inventories and non-current assets held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of asset's or Cash-Generating Units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss, if any, is recognized in the statement of profit and loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

1.8 Investment Property

Since there was no change in the functional currency, the Company had elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP. IND-AS financial statements as deemed cost at the transition date, viz., 1 April 2015.

Investment Property is property (land or a building or a part of a building) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over 30 years from the date of original purchase.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

1.9 Assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

Property, plant and equipment classified as held for sale are not depreciated.

1.10 Investment in subsidiaries

Non-current Investments in equity shares and preference shares in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

1.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company recognises revenue when the specific criteria have been met for each of the Company's activities as described below:

a) Cargo Handling

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

b) Charter Hire Income

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

c) Voyage Charter

Revenue from voyage charters is recognised as income, by reference to the voyage progress on load-to-discharge basis, which has been assessed by management to be an appropriate measure of progress towards complete satisfaction of the performance obligations over time under IND-AS 115. Judgement is involved in estimating days to reach the load port and discharge port destinations impacting the calculation of income to be accrued for incomplete voyage.

d) Dividend Income

Dividend on investments is recognised when the right to receive the same is established.

e) Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate.

f) Insurance Claims

Claims including insurance claims are accounted when there is a reasonable certainty of the realisation of the claim amount.

g) Income from other services is accounted on accrual basis as per the terms of the relevant agreement.

h) Vessel Demurrage income due as per contractual terms is recognized. A provision on estimated basis is made towards deduction from demurrage based on past experience of settlements.

1.12 Operating Expenses

a) Fleet direct operating expenses are charged to the Statement of Profit and Loss on accrual basis.

b) Bunker consumption cost, which is part of direct operating expenses, is charged to the Statement of Profit and Loss on consumption.

c) Stores and spares delivered on board the ships are charged to the Statement of Profit and Loss.

1.13 Inventories

Inventories of Bunker and Lubes on vessels are valued at the lower of cost and Net Realisable Value ascertained on First in First out basis. The cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

1.14 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly. The discount rate is generally based on the interest rate specific to the lease

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received. The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any. The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is re-measured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in Profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of an optionally convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the Bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument, this is recognised and included in shareholder's equity, net of income tax effect, and not subsequently re-measured.

The borrowings are removed from the Balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash asset transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability of at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

1.16 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use for sale. All other borrowing costs are expensed in the period in which they occur.

1.17 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market that can be accessed by the Company for the asset or liability.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the IND-AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the IND-AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.18 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit and loss.

Debt instruments at amortised cost

Debt instruments such as trade and other receivables, security deposits and loans given are measured at the amortised cost if both the following conditions are met:

o The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

o 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:

o The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

o 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

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

Statement of Profit and Loss. However, currently the Company does not have any financial instruments in this category.

Equity investments

All equity investments in scope of IND-AS 109 are measured at fair value. Equity instruments which are held for trading are classified at FVTPL.

For all other equity instruments, the Company decides to classify the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income to Statement Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit or loss.

De- recognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVTOCI) and equity instruments (measured at FVTPL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVTOCI and that are accumulated in are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVTOCI that are recognized and accumulated in Other Comprehensive Income are not reclassified to profit or loss on de-recognition.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets measured at fair value through other comprehensive income.

In case of other assets (listed as a) above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition.

B) Financial liabilities

<u>Initial recognition and measurement</u>

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.

<u>Subsequent measurement</u>

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IND-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

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

<u>Initial recognition and subsequent measurement</u>

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instrument is initially recognised at fair value on the date on which derivative contract is entered into and is subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken through other comprehensive income.

E) Foreign currency convertible bonds (FCCBs)

FCCBs are separated into liability and equity components based on the terms of the contract. On issuance of the FCCBs, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets IND-AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the FCCBS based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.19 Employee Benefits

a) Short – term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognised at actual amounts due in the period in which the employee renders the related service.

b) Post – employment benefits

i. Defined Contribution Plans

Payments made to defined contribution plans such as Provident Fund are charged as an they accrue.

ii. Defined Benefit Plans

The cost of providing benefit i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuation carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

Equity and in the Balance Sheet.

c) **Other Long – term employee benefits**

Other Long – term employee benefit viz. leave encashment is recognised as an expense in the other comprehensive income as it accrues. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date.

Actuarial gain / loss, comprising of experience adjustments and the effects of changes in actuarial assumptions is recognized in the Statement of Other Comprehensive Income except for Long-term compensated absences where the same is immediately recognized in the Statement of Profit and Loss.

1.20 Cash and Cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents includes cash in hand and at bank in current and foreign currency accounts, deposit held at call with financial institution, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Fixed deposit having residual maturity up-to twelve months from the reporting period is considered as part of bank balances other than cash and cash equivalent. Fixed deposit with residual maturity more than twelve months from reporting period is classified under other non-current assets. Bank Overdrafts are shown within borrowings in current liabilities in Balance sheet.

1.21 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.22 Taxes on Income

Tax expenses comprise both current and deferred tax.

(a) **Current tax**

Current tax is the amount of tax payable as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Company and tax payable on other taxable income for the year determined in accordance with section 115VG (3) of chapter XII-G of the Income Tax Act, 1961.

The current income tax charge is calculate on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amount expected to be paid to the tax authorities.

(b) **Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set and presented as net.

Further, the Company is paying taxes on the basis of deemed tonnage income, hence there is no impact on deferred tax.

(c) **Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

1.23 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation for which a reliable estimate of the

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

amount can be made. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the IND-AS financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset. Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

1.24 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit /(loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.25 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments in Division II (applicable to the Company) of Schedule III, primarily relate to:

Balance Sheet:

a) Lease liabilities to be separately disclosed under the head 'financial liabilities', duly distinguished AS current or non-current.

b) Certain additional disclosures in the Statement of Changes in Equity such as changes in Equity due to prior period errors and restated balances at the beginning of the current reporting period.

c) Specified format for disclosure of shareholding of promoters.

d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development. Completion schedule for capital work-in-progress and intangible asset under development

e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

g) The amendment requires to disclose the following ratios in Financial Statements;

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

Current ratio, Debt-Equity ratio, Debt service coverage ratio, Return on equity ratio, Inventory turnover ratio, Trade receivables turnover ratio, Trade payables turnover ratio, Net capital turnover ratio, Net profit ratio, Return on Capital employed and Return on investment.

Statement of profit and loss:

a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Amended applicable from next financial year

Ministry of Corporate Affairs ("MCA") has notified new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS16–Property Plant and equipment - The amendment clarifies that excess of net sale proceed of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS37 – Provisions, Contingent Liabilities and Contingent Assets –The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). Onerous Contracts (Cost of Fulfilling a Contract) - An entity shall apply those amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The entity shall not restate comparative information. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The effective date for adoption of this amendment is annual periods beginning on or after April 1,2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

2.1 Property, Plant and Equipment

₹ in Million

PARTICULARS	Cost					Depreciation / Impairment						Net Block	
	As at April 1, 2021	Reclassi-fication	Addition	Disposal/ Adjust-ments	As at March 31, 2022	As at April 1, 2021	Reclassi-fication	Addition	Impair-ment	Disposal/ Adjust-ments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Freehold Land	1.10	-	-	-	1.10	-	-	-	-	-	-	1.10	1.10
Office Premises	16.20	-	-	-	16.20	8.90	-	0.91	-	-	9.81	6.39	7.30
Vessels	544.90	-	-	91.84	453.06	474.60	-	-	-	21.45	453.15	(0.09)	70.30
Vehicles	0.10	-	-	-	0.10	0.10	-	-	-	-	0.10	-	-
Computer Equipment	2.00	-	-	-	2.00	1.67	-	0.06	-	-	1.73	0.27	0.33
Total	**564.30**	**-**	**-**	**91.84**	**472.46**	**485.27**	**-**	**0.97**	**-**	**21.45**	**464.79**	**7.67**	**79.03**

PARTICULARS	Cost					Depreciation / Impairment						Net Block	
	As at April 1, 2020	Reclassi-fication	Addition	Disposal/ Adjust-ments	As at March 31, 2021	As at April 1, 2020	Reclassi-fication	Addition	Impair-ment	Disposal/ Adjust-ments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Freehold Land	1.10	-	-	-	1.10	-	-	-	-	-	-	1.10	1.10
Office Premises	16.20	-	-	-	16.20	8.90	-	0.91	-	-	9.81	6.39	7.30
Vessels	544.90	-	-	91.84	453.06	474.60	-	-	-	21.45	453.15	(0.09)	70.30
Vehicles	0.10	-	-	-	0.10	0.10	-	-	-	-	0.10	-	-
Computer Equipment	2.00	-	-	-	2.00	1.67	-	0.06	-	-	1.73	0.27	0.33
Total	**564.30**	**-**	**-**	**91.84**	**472.46**	**485.27**	**-**	**0.97**	**-**	**21.45**	**464.79**	**7.67**	**79.03**

Note:

i Vessels having Net book value of Rs Nil (PY Rs 70.30 million) has been charged / mortgaged to the lenders. All the vessels have been arrested by the operational creditors under Commercial Admiralty Suit and are not operational.

ii Prem Mala - During the financial year 2019-20, the vessel was arrested and sale proceedings were initiated by Hon'ble High Court of Bombay. The said vessel has been sold on May 26, 2020 through court auction initiated by a lender and the same has been handed over by the court appointed Sheriff to the buyer on July 13, 2020. The sale proceeds of Rs. 364.00 million as deposited by the buyer in court has been appropriated vide order dated May 5, 2021. On account of short provision for expenses which related to Prem Mala, further expenses towards port charges for Rs. 9.70 million were expensed out in financial year 2020 - 21. Balance lying in the said deposit account as on March 31, 2022 is Rs. 66.09 million (P.Y. Rs. 299.67 million) is reflected as "Other Advances".

iii Bhagwati Prem - During the financial year 2019-20, the dredger was beached at New Mangalore Port Trust (NMPT) and notice for auction dated January 30, 2020 was issued by NMPT authorities by exercising the powers vested with NMPT under Section 42 of the Indian Ports Act, 1908 to recover the Port Dues, Fees and other charges. During the financial year 2020-21, NMPT informed the Company that the dredger had been auctioned through MSTC Limited, Bangalore on September 30, 2020 vide MSTC Order No. MSTC/BLR/20-21/890 in terms of Section 14 and Section 42 of the Indian Ports Act, 1908 as per the directions given by Ministry of Shipping and that it had received an amount of Rs. 48.10 million from the sale of the said dredger and the available amount with Port after all the recoveries towards the expenses suffered in to risk imposed by the sunk dredger 'Tridevi Prem' and dredger 'Bhagwati Prem' is Rs. 16.70 million. The Company had accounted for the sum of Rs. 31.40 million towards Port Charges during the previous financial year 2020-21. The amount receivable from NMPT as at March 31, 2022 is Rs. 48.10 million (PY : Rs.48.10 million).

iv Vivek Prem - During the financial year 2019-20, the Company had entered into Bare Boat Charter and Demise (BBCD) agreement for the vessel where the Company could not complete condition for transfer of ownership at the end of the agreement and said dredger was arrested by one of operational creditors which resulted into discontinuation of agreement. The contracting party had called for an arbitration seeking demand of Rs. 65.00 million as compensation and had also taken injunction against invocation of bank guarantee of Rs. 25.0 million. The dredger was under charge to one of the financial creditor against the financial assistance to the company, whose petition was admitted by NCLT, Mumbai Bench pursuant to which Corporate Insolvency Resolution Process(CIRP) has commenced with effect from February 8, 2021.The Arbitration proceedings have not been initiated.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

During the financial year 2020-21, the dredger was sold under court auction (order dated February 18,2021 of Gujarat High Court) amounting to Rs. 36.0 million. However, the appropriation of the proceeds shall follow in due course of time and balance sale proceeds of of Rs. 35.40 million (after paying Rs. 0.60 million towards expenses incurred for sale) is lying as deposit with the court. Basis the transaction, the vessel has been considered as sold by the Company, as management has no control over it, effective from the date of order and the amount receivable from Court has been classified as ""Other Current Assets" as on March 31, 2022."

v Uma Prem - During the financial year 2019-20, the vessel was arrested and sold under court proceedings at Hon'ble High Court of Bombay. The Company has received the order of Hon'ble High Court of Bombay dated on September 15, 2020 , stating the appropriation of court deposit of Rs. 27.0 milliom towards payments to be made to the claimants including Rs. 17.20 million to one of the financial creditor who had a charge on the vessel.

The Company had carried out the necessary accounting adjustment in this regard and the court deposit of Rs. 27.0 million stands fully appropriated as on March 31, 2021.

vi Further, there are only two non≈operational dredgers (arrested by creditors) with the Company, which were fully impaired in financial year 2019-20 and are carried at realisable scrap value in the books of accounts. On account of this, no depreciation has been charged on Vessels in the year ended March 31, 2022 and March 31, 2021. The current status of the said dredgers are as under –

Name of Dredger	Location	Charged to	Status as at Year end March 31, 2022
Darshani Prem	At Kakinada Seaports Ltd, Kakinanda (Andhra Pradesh)	Charged to ICICI Bank Ltd	Darshini Prem was under arrest by a few operational creditors, crew and port authorities. Said dredger was sold under auction by the honourable Andhra Pradesh High Court during the current financial year resulting in reversal of impairment provision made in earlier financial years to the extent of Rs. 40.19 million. Appropriation of the sale proceeds will be done pursuant to the orders of the said honourable high court. Same is outstanding in the books of accounts and is reflected as "Other Advances".
Yukti Prem	At Cochin Port	Charged to FCCB Holders	Yukti Prem was under arrest by a few operational creditors, crew and port authorities. Said dredger has been sold under auction by the honourable Kerala High Court during the current financial year resulting in reversal of impairment provision made in earlier financial years to the extent of Rs. 7.90 million. Appropriation of the sale proceeds will be done pursuant to the orders of the said honourable high court. Same is outstanding in the books of accounts and is reflected as "Other Advances".

vii The office premise of the Company was charged to the lender of Mercator Petroleum Limited (MPL), one of the material subsidiary of the Company. On account of the possession notice received under Section 13 (4) of Securitization and Reconstruction of Financial Assets and read with Rule 8 of Enforcement of Security Interest (Second) Act, 2002, the symbolic possession of the office premises had been obtained by the said lender on September 9, 2020. The enforcement of security had been on account of default in repayment of debt by MPL.

As on the reporting date, only symbolic possession has been obtained and the Company continues to operate from the premises, hence the same continue to be categorised as property, plant and equipment of the Company and accordingly the depreciation for the period has been charged to the Statement of Profit & Loss. Necessary adjustments, if any, in the books of accounts will be done once the actual control over the office premises will be passed to the Bank.

viii Impairment testing for fleets

The Company has assessed 'recoverable amount' of each fleet by estimating their "Net Realisable Value (NRV)", in terms of Ind-AS 36 "Impairment of Assets". NRV has been determined as Scrap value less estimated cost of arriving NRV / sale in ordinary course of business. Based on the aforementioned assessment, the Company has made a provision for impairment loss of Rs.Nil (PY Rs.Nil) during the year 2021-22 for its fleets. All the vessels and dredgers have already been impaired in earlier financial years.

ix During the year, there has been no change in any class of Property, Plant & Equipement due to revaluation.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

2.2 Non - Current Investments

₹ in Million

PARTICULARS	Face Value per Unit	Numbers as at		Value - As at	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Investment in Equity Instruments (Unquoted valued at cost)					
Subsidiaries					
Mercator Oil and Gas Limited (Refer Note 3.24)	10.00	1,50,000	1,50,000	1.50	1.50
Mercator International Pte Ltd (MIPL)		1,00,000	1,00,000	2.88	2.88
Offshore Holding Company Pte. Ltd (formerly known as					
Mercator Offshore Holding Pte Ltd) * ##		2	2	0.00	-
Mercator Petroleum Limited ** (Refer Note 3.25)	10.00	1,53,00,000	1,53,00,000	479.30	479.30
Mercator Offshore (P) Pte Ltd #		13,992	13,992	0.46	0.46
Oorja Resources India Private Limited ##	10.00	25,000	25,000	0.25	0.25
Mercator Oceantransport Ltd ** ##	10.00	50,000	50,000	0.50	0.50
Mercator Offshore Logistic Private Limited (formerly known as Mercator Dredging Private Limited) ##	10.00	10,000	10,000	0.10	0.10
Sub-Total				**484.99**	**484.99**
Less: Impairment of Investment in Equity Instruments				(164.55)	(164.55)
Total (A)				**320.44**	**320.44**
Investment in Preference Shares					
(Unquoted valued at cost)					
Subsidiary					
6.51% Non Cumulative Redeemable Preference Shares in Mercator International Pte Ltd ***	USD 1 each	5,65,49,515	5,65,49,515	4,293.67	4,156.73
Less: Impairment of Investment in Preference Instrument				(4,293.67)	(4,156.73)
Total (B)				**-**	**-**
Other Equity Investment -					
(fair value of financial guarantee given for)					
Capital Contribution subsidiary - Corporate Guarantee					
Offshore Holdings Pte. Limited				-	-
Mercator International Pte Ltd				34.68	34.68
Mercator Oil and Gas Limited				3.34	3.34
Mercator Petroleum Limited				10.73	10.73
Sub-Total				**48.75**	**48.75**
Less: Impairment of Investment in Equity- Other				(48.75)	(48.75)
Total (C)				**-**	**-**
Investment in Debentures					
Subsidiaries:					
6% Optionally Convertible Unsecured Debentures of Mercator Petroleum Limited	10	3,16,06,800	3,16,06,800	316.07	316.07
Less: Impairment of Investment in Debentures					-
Total (D)		**3,16,06,800**	**3,16,06,800**	**316.07**	**316.07**
Others					
Investment in Equity Shares					
Marg Swarnabhoomi Port Private Limited	10	1,250	1,250	0.01	0.01
Less: Impairment in Investment in Equity Shres				(0.01)	(0.01)
Total (E)					**-**
Investment at Gross value				**5,143.49**	**5,006.55**
Less: Impairment in Investments				(4,506.99)	(4,370.05)
Investment net of impairment provision				**636.50**	**636.50**

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

* Cost Rs. 51

** Shares of Mercator Petroleum Limited has been pledged for non-convertible debentures issued by the Company as collateral. The application for initiation of Corporate Insolvency Resolution Process under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal, Mumbai Bench against Mercator Petroleum Limited was admitted vide the order of NCLT dated August 31, 2020 . In terms of Section 17 of the IBC, the power of the Board of Directors stand suspended and all such powers stand vested in an Interim Resolution Professional appointed vide the said Order.

*** In the financial year ended March 2019, the Company had converted the loan receivable amounting to Rs. 3911.60 million (USD 55.65 million) from one of its wholly owned Singapore based subsidiary, Mercator International Pte Ltd., into 6.51% Non-Cumulative Redeemable Preference Shares (NCRPS) to the extent of the amount outstanding as on March 30, 2019 as a part of its restructuring exercise at group level. During the year ended March 31, 2022, entire amount of Rs. 4263.10 million (equivalent and underlying currency USD 55.65 million) was impaired. the movement in this account is mainly due exchange gain on account of restatement of foreign liability.

During the financial year 2019-20, the management of subsidiary company has filed voluntary liquidation under applicable Companies Law at Singapore with Accounting and Corporate Regulatory Authority (ACRA).

##The companies are dormant and non-operative in nature and in absence of satisfactory compliance of criteria of Cash Generating Unit and foresightedness for its future going concern, the management has provided impairment on the investment.

In case of Mercator International Pte. Ltd. (MIPL), a wholly owned material Foreign Subsidiary, one of the financial lenders had recalled the loan in the month of May 2019 and further to that, they have filed case in Singapore High Court for recovery of their outstanding dues. The said subsidiary is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators.

No latest information is available in respect of all subsidiaries with the management of the Company as on March 31, 2022.

₹ in Million

	As at	
	March 31, 2022	March 31, 2021
Non Current Investments		
(a) Aggregate amount of investments and market value are given below:		
Aggregate Cost of quoted investments	-	-
Aggregate Market Value of quoted investments	-	-
Aggregate Cost of unquoted investments (incl. deemed capital contribution)	5,143.49	5,006.55
Aggregate amount of impairment in value of investments	(4,506.99)	(4,370.05)

(b) Details on Impairment of investment (including loans and advances in relation to subsidiaries)

During the year FY 2021-22, the Company had carried out impairment testing on the investment and loans and advances given to wholly owned subsidiaries / subsidiaries based on their future cash generating capacity and have accounted Rs. 94.68 million (P.Y. Rs. 135 million) as impairment provision, which has been disclosed in Note 2.24. Details are as under -

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

Details of Impairment made during the Financial Year 2021 - 22

₹ in Million

Name of Subsidiary	Impairment of Investment	Total
Mercator Petroleum Limited (Refer Note 3.25)	66.03	66.03
Mercator Oil and Gas Limited (Refer Note 3.24)	28.65	28.65
	94.68	**94.68**

Details of Impairment made during the Financial Year 2020 - 2021

₹ in Million

Name of Subsidiary	Impairment of Investment	Total
Mercator Petroleum Limited (Refer Note 3.25)	99.66	99.66
Mercator Oil and Gas Limited (Refer Note 3.24)	35.34	35.34
Total	**135.00**	135.00

₹ in Million

	As at	
	March 31, 2022	March 31, 2021

2.3 Other Financial Assets (Non-Current)

(Unsecured, Considered Good, unless otherwise stated)

Deposits with government and semi government bodies	0.26	0.26
	0.26	**0.26**

2.4 Other Non-Current Assets

(Unsecured, Considered Good, unless otherwise stated)

Capital Advances

Capital Advances to Others, considered doubtful	163.17	163.17
Less: Provision held during the year	(163.17)	(163.17)
	-	**-**
Loans due to Directors or other officers of the company	-	-
Loans due to firm or private company in which directors is partner or director	-	-
	-	**-**
Security Deposit (Non-Current)		
(Unsecured, Considered Good, unless otherwise stated)		
Security & Judicial deposits	11.07	16.14
	11.07	**16.14**

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

₹ in Million

	As at March 31, 2022	As at March 31, 2021
2.5 Trade Receivables		
(Unsecured)		
Unsecured, Considered Good	446.48	446.48
Less: Expected Credit Loss on Trade Receivables (Refer Note 3.13(b))	(28.64)	(28.64)
	417.84	**417.84**
Unsecured, Considered Doubtful		
Credit Impaired	14.72	14.72
Less: Allowance for bad and doubtful debt	(14.72)	(14.72)
	-	**-**
	417.84	**417.84**
Loans due to Directors or other officers of the company	-	-
Loans due to firm or private company in which directors is partner or director	-	-
	-	**-**

Ageing schedule of Trade Receivables as at March 31, 2022

₹ in Million

Description	Undisputed Considered Good	Undisputed Considered Doubtful	Undisputed Credit Impaired	Disputed Considered Good	Disputed Considered Doubtful	Total
Outstanding for following period from due date of payment:						
Less than 6 months	-	-	-	-	-	-
6 months -1 year	-	-	-	-	-	-
1-2 years	-	-	-	-	-	-
2-3 years	5.46	1.21	-	-	-	6.67
More than 3 years	2.28	13.51	-	438.74	-	454.53
Total	**7.74**	**14.72**	**-**	**438.74**	**-**	**461.20**
Less: Expected Credit Loss on Trade Receivables						**(28.64)**
Less: Allowance for bad and doubtful debt						**(14.72)**
Total						**417.84**

Ageing schedule of Trade Receivable as at March 31, 2021

Description	Undisputed Considered Good	Undisputed Considered Doubtful	Undisputed Credit Impaired	Disputed Considered Good	Disputed Considered Doubtful	Total
Outstanding for following period from due . date of payment:						
Less than 6 months	-	-	-	-	-	-
6 months -1 year	-	-	-	-	-	-
1-2 years	5.46	1.21	-	-	-	6.67
2-3 years	2.28	13.51	-	438.74	-	454.53
More than 3 years		-	-	-	-	-
Total	**7.74**	**14.72**	**-**	**438.74**	**-**	**461.20**
Less: Expected Credit Loss on Trade Receivables						**(28.64)**
Less: Allowance for bad and doubtful debt						**(14.72)**
Total						**417.84**

Note:

a. There are no operations during the year, therefore, there is no unbilled dues

b. There is no dues from directors or any other related parties

c. Invoice date is considered as due date for the purpose of calculation of aging

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

₹ in Million

	As at	
	March 31, 2022	March 31, 2021
2.6 (i) Cash and Cash Equivalents		
Cash on hand	-	-
Balances with bank		
Current Accounts (a)	22.92	15.08
Fixed Deposits with bank with maturity less than 3 months	-	-
	22.92	**15.08**
(a) Balances with banks includes amount in escrow account	0.69	0.69

2.6 (ii) Other Bank Balances

Earmarked Balances		
- Balances with banks in unpaid dividend accounts	1.16	1.48
Fixed Deposits with bank with maturity less than 12 months as on reporting date	19.50	50.00
	20.66	**51.48**

2.7 Loans (Current)

(Unsecured, Considered Good, unless otherwise stated)		
Loans and advances to -		
Related Parties (a)		
Considered good	619.10	685.01
Credit impaired	646.79	552.23
	1,265.89	**1,237.24**
(a) Loans and advances to related parties -		
Mercator Offshore (P) Pte Limited	14.32	14.32
Mercator Offshore Logistic Private Limited (formerly known as Mercator Dredging Private Limited)	20.29	20.29
Mercator Petroleum Limited	892.65	826.62
Mercator Oil & Gas Limited *	985.08	927.78
Oorja Resources India Private Limited	0.34	0.46
Less: Provision held during the year	(646.79)	(552.23)
	1,265.89	**1,237.24**
Loans due to Directors or other officers of the company	-	-
Loans due to firm or private company in which directors is partner or director	-	-
	-	**-**

*During the previous year, the Subsidiary Company has executed an undertaking in favour of a financial lender of the Subsidiary Company in view of litigation funding support provided by them wherein the Lender has certain priorities towards recovery of dues upon settlement of arbitration proceedings.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

₹ in Million

	As at	
	March 31, 2022	March 31, 2021

2.8 Other Financial Assets (Current)

(Unsecured, Considered Good, unless otherwise stated)

Unsecured		
Considered good		
Interest receivable	1.12	-
Insurance Claim Receivable (Refer Note no.3.30)	593.46	593.46
Other receivables	48.13	48.13
	642.71	**641.59**

2.9 Other Current Assets

Advance to Suppliers	0.94	0.93
Other Advances*	243.98	359.67
	244.92	**360.60**
Loans due to Directors or other officers of the company	-	-
Loans due to firm or private company in which directors is partner or director	-	-
	-	**-**

*Other Advances includes court deposits of Rs. 219.98 million (Previous year Rs. 335.68 million) relating to sale of Vessels

2.10 Equity Share Capital

Authorised		
135,00,00,000 (Previous Year - 135,00,00,000) Equity shares of Re 1/- par value each	1,350.00	1,350.00
100,00,000 (Previous Year - 100,00,000) Preference shares of Rs 100/- par value each	1,000.00	1,000.00
	2,350.00	**2,350.00**
Issued, Subscribed and Fully Paid Up Capital		
30,24,59,335 share (Previous Year - 30,24,59,335) Equity shares of Re 1/- each	302.46	302.46

(a) Rights, preferences, rectrictions attached to Shares

The company has two classes of authorised shares - (i) as equity shares having a face value of Re.1/- and (ii) preference shares having a face value of Rs.100/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend whenever proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

₹ in Million

	2021-2022		2020-2021	
	Number	₹ in Millon	Number	₹ in Million
Equity shares outstanding at the beginning of the period	30,24,59,335	302.46	30,24,59,335	302.46
Equity shares allotted in Qualified Institutional Placement	-	-	-	-
Equity shares outstanding at the end of the period	**30,24,59,335**	**302.46**	**30,24,59,335**	**302.46**

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(c) The company during the preceding five years :

(i) Has not allotted shares pursuant to contracts without payment received in cash.

(ii) Has not issued shares by way of bonus shares.

(iii) Has not bought back any shares.

(d) Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

₹ in Million

	As at March 31, 2022		As at March 31, 2021	
	No of shares held	% of holding	No of shares held	% of holding
Anand Rathi Global Finance Ltd	1,61,46,584	5.34	2,55,00,000	8.43

(e) Details of shares held by promoters at the end of the year and movement:

₹ in Million

	As at March 31, 2022		As at March 31, 2021		% change during the year
	No of shares held	% of holding	No of shares held	% of holding	
H. K. Mittal 99,25,000	3.28	1,00,74,900	3.33	-0.05	
Archana Mittal	27,400	0.01	1,19,44,725	3.95	-3.94
AHM Investments Private Limited	1,07,25,050	3.55	1,07,25,050	3.55	0.00

Out of the promoters' holding -

(i) As stated in note 3.32, During FY 2020-21, 2,55,00,000 no of shares have been invoked by the financial lenders whereby total external loans liabilities amounting to Rs 39.50 million have been discharged by the Company in its books on the basis of value of shares invoked based on closing traded price.

(ii) During FY 2020-21, 28,50,000 no of shares are pledged with various lenders/entities wherein there are no financial liabilities outstanding as on March 31, 2021. 57,39,050 No of shares have been released from pledge in the financial year 2020-21.

(iii) Promoters and Promoter Groups have sold 1,20,67,225 No. of shares during the year ended March 31, 2022. This has brought down the shareholding of the promoters in the Company to 6.84% as on March 31, 2022.

(f) In respect of year ended March 31, 2022, the Board of Directors of the Company has recommended not to pay any dividend (Previous Year Nil per share) on the fully paid up equity shares.

(g) The Company had rolled over Foreign Currency Convertible Bonds of USD 16 million on its maturity during the financial year 2019-20 with an agreed terms of conversion of liability at exchange rate of USD / Rs. = 58.5740 and face value of share price of Rs. 10 each or such conversion price as may be calculated in compliance with applicable SEBI guidelines whichever is higher. The bondholder reserves right to exercise such option at every anniversary commencing from May 27,2019 for period of 3 years, which if exercised will lead to further dilution of the promoter holding. However, until date of reporting, as per available information the bondholder has not yet exercised its right of conversion.

₹ in Million

2.11 Other Equity

	As at	
	March 31, 2022	March 31, 2021
A. Summary Of Other Equity		
(Refer Statement of Changes in Equity for detailed movement)		
Capital Reserve	428.95	428.95
Capital Redemption Reserve	400.00	400.00
Securities Premium	5,907.58	5,907.58
Debenture Redemption Reserve	250.00	250.00
General Reserve	1,676.33	1,676.33
Foreign Currency Monetary Item Translation Difference Account	-	-
Retained earnings	(18,768.31)	(18,820.42)
Deemed Equity component on FCCB	3.58	3.58
Other Comprehensive Income	7.82	7.82
	(10,094.05)	**(10,146.16)**

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

B. Nature of Reserves

Capital Reserve

Capital Reserve is utilised in accordance with provisions of the Companies Act, 2013.

Capital Redemption Reserve

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

Securities Premium

Securities Premium Reserve is used to record the premium on issue of securities of the Company. This reserve is created and utilised as per the provisions of the Companies Act, 2013.

Debenture Redemption reserve

The Company is required to create a Debenture Redemption Reserve out of the profits which is available for redemption of debentures.

General Reserve

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

Foreign Currency Monetary Item Translation Difference Account

Foreign Currency Monetary Item Translation Difference Account represents amounts recognised on account of translation of long term foreign currency denominated borrowings not related to acquisition of depreciable assets. Amounts so recognised are amortised in the statement of profit and loss over remaining maturity of related borrowings.

Retained earnings

Retained earnings represents surplus/ accumulated earnings of the company less any transfers to General Reserve, Tonnage Tax Reserves, dividend or other distribution paid to Shareholders.

Deemed Equity

Represents deemed equity portion of Foreign Currency Convertible Bonds (FCCB) as per IND AS.

2.12 Borrowings (Non-current)

₹ in Million

	Non-current Portion		Current Maturities*		Total	
	As at		As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Secured						
Debentures						
Secured Non Convertible Debentures - (a)	-	-	1,475.73	1,475.73	1,475.73	1,475.73
Term Loans						
From Banks						
Foreign Currency Term Loans - (b)(i), (b)(iii) and (d)(i)	-	-	4,278.76	4,278.76	4,278.76	4,278.76
External Commercial Borrowings - (b)(ii), (b)(iii) and (d)(i)	-	-	451.40	451.40	451.40	451.40
Unsecured						
From Financial Institutions					-	-
Rupee Term Loans - d(ii)	-	-	15.00	15.00	15.00	15.00
Foreign Currency Convertible Bonds - (b)(iii), (c) and (d)(i)	-	-	1,165.80	1,165.80	1,165.80	1,165.80
	-	**-**	**7,386.69**	**7,386.69**	**7,386.69**	**7,386.69**

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

* Current maturities of non-current borrowings have been disclosed under "Other Financial Liabilities (Current)".

All the lenders have recognised event of default and classified the dues from the Company as Non Performing Asset (NPA).

One of the Lender had filed petition u/s 7 of IBC 2016 with National Company Law Tribunal (NCLT) Mumbai. Accordingly, a Corporate Insolvency Resolution Process (CIRP) had been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'), as more elaborated in note 3.21 and note 3.23.

(a) Debentures comprise of following:

₹ in Million

	As at				Redemption Date
	March 31, 2022		March 31, 2021		
	Gross	Carrying Value	Gross	Carrying Value	
1300 (PY 1000) (12.00)% Secured Unlisted Unrated Non Convertible Debentures of Rs. 10,00,000 each *	1,264.49	1,475.73	1,264.49	1,475.73	Quarterly instalment starting from June 2020
Total (A)	**1,264.49**	**1,475.73**	**1,264.49**	**1,475.73**	

* Non Convertible Debentures were secured by first pari-pasu charge on specified vessels and subservient charge on specified vessel of the Company. The same were further collaterally secured on first pari-passu charge on specified moveable & immoveable assets, pledge of shares and hypothecation of all loans whether secured or unsecured given to Mercator Petroleum Limited held by the Company and its step down subsidiary & shares of Mercator Oceantransport Limited. This was further secured by personal guarantee of the promoter. These were to be redeemed at premium of 5% (for first two years) & 7% (subsequent residual tenor) on every redemption instalment or any prepayment as per terms of Debenture Trust Deed. Carrying value includes Rs. 211.20 million (Previous Year Rs. 211.20 million) for redemption premium on cumulative accrual basis up to February 7, 2021.

Premium payable on redemption of Non-Convertible Debentures issued to UTI amounting to Rs. 211.20 million (Previous Year Rs. 211.20 million) has been included under 'Non-Convertible Debentures within "Other Financial Liabilities (Current)" (Refer note 2.16).

(b) **Foreign Currency term loan comprise of following:**

i. The foreign currency term loans from banks of Rs. 4278.76 million (Previous Year Rs. 4341.40 million) (gross) are secured by a first ranking or exclusive charge/mortgage/security interest in respect of specified vessels of the company as well as charge on cash flows of specified vessels.

Another Lender has exercised its right under mortgage deed and Sec 51 of the Merchant Shipping Act 1958 and sold the asset.

ii The external commercial borrowings of Rs. 451.40 million (Previous Year Rs. 451.40 million) (gross) are secured by a first ranking or exclusive charge/ mortgage/ security interest in respect of specified vessels of the company as well as charge on cash flows of specified vessels. The Lender has recognised event of default and classified the account under Non Performing Asset (NPA).

iii Pursuant to the initiation of CIR Process, all the facilities including foreign currency term loan liabilities amounting to Rs. 5896.00 million has been crystallised in Indian Rupee on February 7, 2021.

(c) Foreign Currency Convertible Bonds (FCCB) of USD 16 million outstanding amounting to Rs. 1165.80 million (Previous Year Rs.. 1206.20 million) are convertible upon exercise of option during the period May 27, 2014 till April 27, 2019 at initial conversion price of Rs. 38.30 Per Share (at a fixed rate of exchange on conversion of Rs. 58.5740 per 1 USD). The maturity date of FCCB is May 27, 2019 which is listed on Singapore Stock Exchange. This is fully unsecured in nature. The Company has entered into financial commitment to rollover the said FCCB with existing Bondholder with major change in terms and conditions for which the Company is awaiting approval of Reserve Bank of India (RBI). Upon its receipt, as there is major change in valuation, this rollover will extinguish the underlying nomenclature of previous bond transaction and will amount to change in fair value under applicable IND AS.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

The Company had entered into binding obligation with the Bondholder for rollover of FCCB with change in major terms and conditions and had also applied with Reserve Bank of India for approval of the same which is awaited. The bondholders' revised/new terms and conditions are as under:

i. Maturity date of the FCCB's has been extended from May 27, 2019 to May 27, 2022 or such date as may be agreed by the Parties.

ii. The Conversion Price of the FCCB's has been reset from Rs. 38.30 per share to Rs. 10 per share (with a fixed rate of exchange on conversion of Rs. 58.5740 per USD)

iii. Earlier coupon of 4.75% per annum payable annually has been changed to 5.75% compounded annually.

iv. The Company shall provide as security for the existing FCCBs a charge over the "Yukti Prem", which was unsecured as per earlier terms.

v. Also, Put/Call/ Conversions options at various time frames and upon occurrence of certain events has been provided to respective parties which was not provided in earlier terms.

In view of non creation of charge (as the vessel has been arrested by operational creditors) as per terms and condition of Trust Deed, the Bondholder has triggered event of default. In addition to that, the Company was required to seek prior approval for sale of oil blocks or other material events of Mercator Petroleum Limited, which has also not been taken until date of reporting. The Bondholder has not yet exercised its right under put option wherein there is commitment of conversion share price at Rs. 10 per share. Correspondingly, the company has not paid annual interest as well due subsequent to reporting period. The Bondholder has exercised its right for repayment and treat entire facility callable on demand.

(d) (i) Foreign Currency term from bank and Financial Institutions comprise of following:

₹ in Million

Particulars	Currency	Unpaid Instal-ments*	Rate of Interest**	As at				End of Tenure	Remarks*
				March 31, 2022		March 31, 2021			
				Gross	Carrying Value	Gross	Carrying Value		
External Commercial Borrowing	USD	*	Libor+3.40%	451.40	451.40	451.40	451.40	2022	unpaid since Sept 2018
Total (B)				**451.40**	**451.40**	**451.40**	**451.40**		
Foreign Currency Term Loan	USD	*	Libor+4.50%	329.25	329.25	329.25	329.25	2022	
Foreign Currency Term Loan	USD	*	Libor+4.50%	227.69	227.69	227.69	227.69	2020	
Foreign Currency Term Loan	USD	*	Libor+4.50%	141.58	141.58	141.58	141.58	2020	
Foreign Currency Term Loan	USD	*	Libor+4.50%	1,098.40	1,098.40	1,098.40	1,098.40	2022	
Foreign Currency Term Loan	USD	*	Libor+4.50%	616.95	616.95	616.95	616.95	2025	
Foreign Currency Term Loan	USD	*	MCLR+3.55%	284.89	284.89	284.89	284.89	2023	
Foreign Currency Term Loan	USD	*	MCLR+3.55%	398.85	398.85	398.85	398.85	2023	
Foreign Currency Term Loan	USD	*	Libor+5.00%	180.05	180.05	180.05	180.05	2020	
Foreign Currency Term Loan	USD	*	Libor+5.00%	1,001.10	1,001.10	1,001.10	1,001.10	2022	
Total (C)				**4,278.76**	**4,278.76**	**4,278.76**	**4,278.76**		
Foreign Currency Convertible Bonds (FCCB) (D)	USD	*	5.75%	1,165.80	1,165.80	1,165.80	1,165.80	2022	
Total (B + C + D)						**5,895.96**		**5,895.96**	

* since all loans are demanded / called by Banks/ FIs etc - hence nothing has been reflected under " unpaid instalments"

** Interest as per Latest available records

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(d) (ii) Rupee Term Loan from bank and Financial Institutions comprise of following:

₹ in Million

Particulars	Currency	Unpaid Instal-ments*	Rate of Interest**	As at				End of Tenure	Remarks*
				March 31, 2022		March 31, 2021			
				Gross	Carrying Value	Gross	Carrying Value		
Rupee term loan from Financial Institution **(E)**	Rs.	*	10% & 14.5%	15.00	15.00	15.00	15.00	2022	
* since all loans are demanded / called by Banks/ FIs etc - hence nothing has been reflected under " unpaid instalments"									
Total (A + B + C + D + E)					**7,386.69**		**7,386.69**		

(e) External Credit Rating under disclosure of SEBI (Credit Rating Agency) Regulation 2017

The CARE Ratings Limited (CARE) has downgraded the rating assigned to the Company for Long Term Credit facilities from CARE C (Single C) to CARE D (Single D) and Short Term Credit facilities from CARE A4 to CARE D and further upon non payment of surveillance fees for the rating exercise as per Rating Agreement during the year, the Rating has been denoted as CARE D (Issuer not cooperating). There have been delays / defaults in repayment of Loans instalments and Interest to Banks / Financial Institutions / Non Banking FInance Companies (NBFC) since end of Sept 2018.

During the year, the Company has committed breach of other applicable financial covenants including payment default in interest and instalment due to various Banks / financial institutions (FIs) which are still continuing in nature, resulting in several banks / FIs recalling their loans."

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

2.14 (f) - Details of delays and defaults in repayment of Borrowings and Interest thereon

₹ in Million

Sr. No.	Name of Lender	Note	Base Currency at the time of initial funding	Type of Loan	Borrowings				Interest		Borrowings				Interest	
					Delay in repayment during the year ended March 31, 2022##		Default as at March 31, 2022##		Default as at March 31, 2022##		Delay in repayment during the year ended March 31, 2021		Default as at March 31, 2021		Default as at March 31, 2021	
					₹ in Million	No of Days for F.Y. 2022	₹ in Million	No of Days as on March 31,2022	₹ in Million	No of Days	₹ in Million	No of Days for F.Y.2021	₹ in Million	No of Days as on March 31,2021	₹ in Million	No of Days
A	**LONG TERM LOANS**															
1	Axis Bank Limited	a	USD	ECB	-	-			2.20	91	-	-	-	-	2.20	91
2	Axis Bank Limited	f	USD	ECB	451.40	-	451.40	679	57.20	679	451.40	313	451.40	679	57.20	679
3	Axis Bank Limited	f	USD	FCNR	329.25	-	329.25	679	62.20	679	329.25	313	329.25	679	62.20	679
4	Axis Bank Limited	f	USD	FCNR	227.69	-	227.69	679	45.50	679	227.69	313	227.69	679	45.50	679
5	Axis Bank Limited	f	USD	FCNR	141.58	-	141.58	679	38.70	679	141.58	313	141.58	679	38.70	679
6	Axis Bank Limited	f	USD	FCNR	1,098.40	-	1,098.40	679	233.80	679	1,098.40	313	1,098.40	679	233.80	679
7	Export and Import Bank of India	j	USD	FCTL	616.95	-	616.95	569	67.10	313	616.95	313	616.95	569	67.10	313
8	ICICI Bank Limited	k	USD	FCNR	1,001.10	-	1,001.10	679	193.90	679	1,001.10	313	1,001.10	679	193.90	679
9	ICICI Bank Limited	k	USD	FCNR	180.05	-	180.05	679	49.00	679	180.05	313	180.05	679	49.00	679
10	ICICI Bank Limited	k	USD	FCNR	284.89	-	284.89	679	70.40	679	284.89	313	284.89	679	70.40	679
11	ICICI Bank Limited	k	USD	FCNR	398.85	-	398.85	679	98.80	679	398.85	313	398.85	679	98.80	679
12	IDBI Bank Limited	a	USD	ECB	-	-	-	-	-	-	-	-	-	-	-	-
13	AION Direct Private Limited	d	USD	FCCB	1,165.80	-	1,165.80	313	188.90	614	1,165.80	313	1,165.80	313	188.90	614
	*UTI Capital Private Limited	b	Rs.	NCD	1,475.73	-	1,475.73	313	1,687.50	712	1,475.73	313	1,475.73	313	1,687.50	712
	Total				**7,371.69**		**7,371.69**		**2,795.20**		**7,371.69**		**7,371.69**		**2,795.20**	
B	**SHORT TERM LOANS (including Working Capital)**															
1	ICICI Bank Limited	e	Rs.	STL	30.64	-	30.64	444	45.30	679	30.64	313	30.64	444	45.30	679
2	Other Financial Lenders #		Rs.	ICD	205.00	-	205.00	679	96.90	679	205.00	313	205.00	679	96.90	679
3	State Bank of India	h	Rs.	MTL	747.95	-	747.95	640	303.00	640	747.95	313	747.95	640	303.00	640
4	State Bank of India	i	Rs.	CC	911.75	-	911.75	649	311.30	649	911.75	313	911.75	649	311.30	649
5	Yes Bank Limited	g	Rs.	CC	200.00	-	200.00	456	81.30	314	200.00	313	200.00	456	81.30	314
	Total				**2,095.34**		**2,095.34**		**837.80**		**2,095.34**		**2,095.34**		**837.80**	
	Grand Total				**9,467.03**		**9,467.03**		**3,633.00**		**9,467.03**		**9,467.03**		**3,633.00**	

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

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

\## Delays/defaults for the previous year for the Company have been considered upto to February 7, 2021 i.e. upto the date of RP appointment, (Refer note 3.19 and 3.21) and the same have been continued in the current year also.

The borrowings of the Company have been crystallised in Indian Rupee and admitted as of February 7, 2021.

Incremental default days have been calculated till the start of CIRP i.e. February 7, 2021.

Additional Notes:

a The Bank had recognized event of default as per terms and condition of loan agreement and ECB had been fully paid off by sale of its underlying vessel "Prem Pride".

b During the financial year 2019-20, the Debenture trustee had recognized event of default retrospectively from October 4,2018 and charged penal interest as per terms and condition of Debenture Trust Deed.The same had been accrued and is unpaid as on Balance Sheet date.

c Pursuant to delay in repayment of instalment, the Company had sold underlying asset and prepaid the debt obligation.

d Subsequent to rollover of FCCB dated May 27, 2019, the Trustee had recognized event of default dated June 4, 2019 and the Bondholder had recalled the FCCB and sought payment immediately based on breach of negative covenant stated as per sanction terms.

e Pursuant to classification of NPA upon delay in payment of loan, the Bank had adjusted earmarked cash margin.

f The Bank had classified account as NPA dated February 28, 2019.

g The Bank had recalled loan dated November 9, 2019 and account had been classified as NPA.

h The account was classified as NPA on May 9, 2019 and the Bank had filed petition u/s 7 of Insolvency and Bankruptcy Code 2019.The Bank had also invoked personal guarantee of promoter director which had been undischarged on date of balance sheet.

i The account was classified as NPA on April 23, 2019 and the bank had filed petition u/s 7 of Insolvency and Bankruptcy Code 2019.There were devolvement of LC's and BG's cumulative amounting to Rs. 243.20 million (Previous Year Rs. 243.20 million) and converted into fund based utilization.

j The Bank had recalled loan dated November 13, 2019 and exercised rights u/s 51 of Merchant Shipping Act 1958 for sale of underlying vessel "Hansa Prem".The Bank had classified account as NPA on July 1, 2019.

k The Bank had classified account as NPA on February 28, 2019 and debt obligation was outstanding as on March 31, 2022.The Bank had converted part of loan in Indian Rupee (Rs.) at notional rate considering NPA provisioning norms and also filed petition u/s 9 of the Insolvency and Bankruptcy Code 2016, which had been admitted on February 8, 2021.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

₹ in Million

	As at	
	March 31, 2022	March 31, 2021

2.13 Other Financial Liabilities (Non-Current)

Security Deposit	0.30	0.30
	0.30	**0.30**

2.14 Borrowings (Current)

Secured		
From Banks		
Cash Credit (a)(i)	1,111.75	1,111.75
Loan repayable on demand (a)(ii)	747.95	747.95
From Financial Institution		
Other Loans (a)(iii) and (b)	189.69	189.69
Unsecured		
From Banks		
Loan repayable on demand (a)(iv)	30.64	30.64
From Others		
Loan from Directors (including relative) (a)(v) and (c)	173.71	173.71
	2,253.74	**2,253.74**

(a) **(i)** Cash Credit facilities from Scheduled Banks are secured by first charge on current assets (excluding specific charged if any) on pari-passu basis and second charge on specefied vessels.

(ii) Loan repayable on demand from banks are secured by promoter's personal guarantee. During the previous year, loan repayable on demand Rs 170.70 million has been adjusted against cash collateral cum earmarked balance and hence balance amount has been classified as unsecured and reclassified disclosure accordingly.

(iii) Other loans are secured by pledge of shares and personal guarantee of promoters. In case of loan amounting to Rs.125.50 million (P.Y Rs 165.0 million), the company has created pledge on shares of its one of the subsidiary company Mercator Petroleum Limited. One of the NBFC lender has invoked 2,55,00,000 No. of shares of promoters on July 2, 2020. The Company has consequently adjusted in its books the outstanding due in part amounting to Rs.39.50 million.

(iv) Unsecured loan repayable on demand from other party has novation right / put option to exercise from one of step down subsidiary of the Company. The same has been executed and discharged its obligation during the previous year.

(v) Loan from director has been stated at actual amount of invocation of shares by the financial lenders wherein the company has taken an external legal opinion for its legal implicaiton and right of director to recover amount of net worth utilised for repayment of debt obligation of the Company.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(b)

₹ in Million

	Nature	Rate of Interest	March 31, 2022		March 31, 2021	
			Gross	Carrying Value	Gross	Carrying Value
Financial Institution*	Short Term	16.00%	125.48	125.48	125.48	125.48
Financial Institution*#	Short Term	14.00%	59.24	59.24	59.24	59.24
Financial Institution	Short Term	14.00%	4.97	4.97	4.97	4.97
Total			**189.69**	**189.69**	**189.69**	**189.69**

The above loans are secured against pledge of shares held by promoters.

* Loans are further collaterally secured by Personal Guarantee of Promoters

During the year, the Lender, Borrower and Guarantor have entered into a settlement agreement whereby the Guarantor shall discharge the afiresaid liability at an amount of Rs. 10 million. The will be accounted in FY 2020-21 which will result in extinguishment of balance liability and interest accrued outstanding at the end of year.

(c) Repayment of short term loan by way of Invocation of pledged shares during the financial year 2021-2022

₹ in Million

Name of Director (including relatives)	No of Shares Invoked	Price of Invocation	Loan Outstanding (₹ in million)
(i) H. K. Mittal	-	-	-
(ii) Archana Mittal	-	-	-
(iii) AHM Investments	-	-	-
Total	**-**	**-**	**-**

Invocation of Shares pledged for Short Term Loan during the previous year 2020-202

₹ in Million

Name of Director (including relatives)	No of Shares Invoked	Price of Invocation	Loan Outstanding (₹ in million)
(i) H. K. Mittal	1,11,18,800	1.550	17.23
(ii) Archana Mittal	67,00,000	1.550	10.39
(iii) AHM Investments Private Limited	76,81,200	1.550	11.91
Total	**2,55,00,000**		**39.53**

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

₹ in Million

2.15 Trade Payables

	As at March 31, 2022	As at March 31, 2021
Total Outstanding of		
- Micro and small enterprises	3.79	3.54
- Other than micro and small enterprises (a)	428.97	431.14
	432.76	**434.68**
(a) Includes payable to subsidiary companies	**67.77**	**67.77**

Ageing schedule of Trade Payables as at March 31, 2022

₹ in Million

Description	Undisputed MSME	Undisputed Other	Disputed MSME	Disputed Others	Total
Unbilled -	47.40	-	-	47.40	
Not Due -	-	-	-	-	
Outstanding for following period from due date of payment:					
Less than 1 year	0.16	0.27	-	-	0.43
1-2 years	0.09	6.53	-	-	6.62
2-3 years	0.30	125.92	-	-	126.22
More than 3 years	3.24	248.85	-	-	252.09
Total	**3.79**	**428.97**	**-**	**-**	**432.76**

Ageing schedule of Trade Payables as at March 31, 2021

₹ in Million

Description	Undisputed MSME	Undisputed Other	Disputed MSME	Disputed Others	Total
Unbilled	-	50.30	-	-	50.30
Not Due	-	-	-	-	-
Outstanding for following period from due date of payment:					
Less than 1 year		107.50	-	-	107.50
1-2 years	0.30	24.20	-	-	24.50
2-3 years	1.14	83.24	-	-	84.38
More than 3 years	2.10	165.90	-	-	168.00
Total	**3.54**	**431.14**	**-**	**-**	**434.68**

Note:

a) Provisions made at the end of the year are considered under unbilled dues

b) There are no dues from directors or any other related parties

c) Posting date is considered as due date for the purpose of calculation of aeging

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

₹ in Million

	As at	
	March 31, 2022	March 31, 2021

2.16 Other Financial Liabilities (Current)

Current maturities of long-term debt		
- Foreign Currency Convertible Bonds (Refer Note 2.12)	1,264.49	1,264.49
- External commercial borrowings (Refer Note 2.12)	451.40	451.40
- Term loans from banks (Refer Note 2.12)	4,278.76	4,278.76
- Rupee Term Loan from Financial Institution (Refer Note 2.12)	15.00	15.00
- Foreign Currency Convertible Bonds (Refer Note 2.12)	1,165.80	1,165.80
Refundable EOI Deposit from Prospective RA's	14.50	-
Other payables	37.24	39.69
Interest Accrued and Due (Refer Note 2.12)	3,326.94	3,561.25
Interest Accrued and Due - Claims not admitted (Refer Note 2.12)	74.71	71.78
Redemption premium on NCDs admitted	211.24	211.24
Unclaimed Dividend (a)	1.16	1.48
	10,841.24	**11,060.89**

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

2.17 Other Current Liabilities

Statutory dues payables	91.88	96.31
	91.88	**96.31**

2.18 Provisions (Current)

Provision for employee benefits (refer note 3.03)		
Gratuity	1.86	1.86
	1.86	**1.86**

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

₹ in Million

	Year Ended March 31, 2022	Year Ended March 31, 2021
2.19 Revenue from Operations		
Revenue from -		
Dredging	-	68.55
Charter hire	-	-
	-	**68.55**

2.20 Other Income

	March 31, 2022	March 31, 2021
Interest income		
- Fixed Deposits and Inter corporate deposits	1.82	0.35
- Related Party	123.32	121.51
- Others	1.74	-
Balances written back	0.07	27.11
Gain on Exchange Difference	-	137.52
Other income (refer note 3.16)	-	50.04
	126.95	**336.53**
Interest Income from Related Parties :		
Mercator Oil & Gas Ltd.	57.29	56.75
Mercator Petroleum Ltd	47.07	45.87
Interest on 6% Debentures of Mercator Petroleum Ltd	18.96	18.90
	123.32	**121.52**

2.21 Operating Expenses

	March 31, 2022	March 31, 2021
Vessel /Equipment hire expenses	-	89.37
Crew Expenses	-	4.08
Agency, Professional and service expenses	-	0.11
Insurance	-	3.81
Port expenses	-	50.42
	-	**147.79**

2.20 Employee Benefits Expenses

	March 31, 2022	March 31, 2021
Salaries, wages, bonus, etc. (Refer Note No 3.04 and 3.22)	3.22	26.49
Contribution to provident and other funds	0.13	2.15
Employee welfare expenses	-	0.16
	3.35	**28.80**

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

₹ in Million

	Year Ended March 31, 2022	Year Ended March 31, 2021

2.23 Finance cost

	March 31, 2022	March 31, 2021
Interest expense	-	1,001.02
Penal Interest	-	1,010.25
Other finance cost	1.52	89.90
	1.52	**2,101.17**

Interest expenses includes interest of Rs NIL (P.Y. Rs. 11.10 million) on delayed deposit of tax deducted at source (TDS) in compliance with Chapter XVII-B of Income Tax Act 1961.

2.24 Impairment

	March 31, 2022	March 31, 2021
Imapirment/(Reversal of Impairment)on Property Plant and Equipments (Refer note 2.1 (viii))	(48.09)	(18.57)
Reversal of Impairment	(0.13)	0.00
Impairment for Loans and Advances	94.68	135.00
	46.46	**116.43**

	March 31, 2022	March 31, 2021
*Mercator Petroleum Limited	66.03	99.66
*Mercator Oil & Gas Limited	28.65	35.34
	94.68	**135.00**

2.25 Loss on Sale / Discard of Asset (Refer note 2.1 (x))

	March 31, 2022	March 31, 2021
Loss on Sale / Discard of Fixed Asset	-	22.59
	-	**22.59**

2.26 Other expenses

	March 31, 2022	March 31, 2021
Rent	0.36	-
Payment to auditors		
As auditors	0.62	1.15
For other services (certification and other matters)	0.38	0.50
Repairs and Maintenance	1.06	1.56
Insurance	0.23	0.12
Legal, Professional and consultancy expenses	26.21	17.97
Communication Expenses	-	0.41
Conveyance, Car Hire and Travelling	0.11	0.54
Advertisement	0.32	0.04
Vessels sale expenses	0.89	-
Share Holder Servicing	2.47	1.86
Loss on Exchange Difference	0.72	-
Miscellaneous expenses	0.42	0.51
	33.79	**24.66**

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

₹ in Million

	Year Ended	
	March 31, 2022	March 31, 2021

2.27 Income Tax Expenses

Current tax	**-**	**-**
Income tax for the year	-	-
Adjustments/(credits) related to previous years - Net (Refer note 3.12)	(11.25)	93.51
	(11.25)	**93.51**

3 OTHER DISCLOSURES

3.01 Earnings per Share (EPS)

₹ in Million

Basic EPS (in Rs.)	0.17	(7.05)
Diluted EPS (in Rs.)	0.17	(7.05)
Reconciliation of earnings used in calculating earning per share		
Total Profit/(loss) attributable to equity shareholders	52.11	(2,131.13)
Weighted average numbers of equity shares used in the calculation of EPS:		
Weighted average numbers of equity shares used in the calculation of Basic EPS	30,24,59,335	30,24,59,335
Dilutive impact of FCCB (Anti Dilutive, hence Nil)	-	-
Weighted average numbers of equity shares and potential equity shares used in the calculation of Diluted EPS	**30,24,59,335**	**30,24,59,335**
Face Value per equity share (Rs.)	1.00	1.00

* Diluted EPS for the year ended March 31, 2022 is considered as same as Basic EPS, since the effect of FCCB is antidilutive.

3.02 Segment Reporting

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

3.03 Disclosure as required by Indian Accounting Standard (Ind AS) 19 on Employee Benefits

Defined benefit plans expose the Company to actuarial risks such as: Interest Rate Risk, Salary Risk and Demographic Risk.

i. **Interest Rate Risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.

i. **Salary risk:** Higher than expected increases in salary will increase the defined benefit obligation.

(A) Defined Contribution Plans:

The Company has recognised the following amounts in the Statement of Profit and Loss for the year.

₹ in Million

	Year Ended	
	March 31, 2022	March 31, 2021
Contribution to Employees' Provident Fund (excluding Contribution to Seamen's Provident Fund)	0.00	0.99

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(B) Defined Benefit Plans and Other Long Term Benefits:

During the year , the Company has not obtained actuarial valuation for defined benefit plans and other long term benefits as total number of employees on company's payroll were less than 10 and management believes that existing employees will not stay for long with company under the existing conditions in the Company and hence, valuation is not required.

(i) Changes in Defined Benefit Obligation

₹ in Million

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Defined Benefit Obligation at the beginning	-	1.87	-	0.60
Current Service Cost (as per management estimate)	-	-	-	-
Interest Expense	-	-	-	-
Benefit Payments from Employer	-	-	-	-
Settlement Payments from Employer	-	-	-	(0.60)
Remeasurements - Due to Financial Assumptions	-	-	-	-
Remeasurements - Due to Experience Adjustments	-	-	-	-
Defined Benefit Obligation at the end	**-**	**1.87**	**-**	**-**

(ii) Change in Fair Value of Plan Assets

₹ in Million

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Fair Value of Plan Assets at the beginning	-	-	-	-
Employer Direct Benefit Payments	-	-	-	-
Benefit Payments from Employer	-	-	-	-
Fair Value of Plan Assets at the end	**-**	**-**	**-**	**-**

(iii) Components of Defined benefit cost

₹ in Million

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Service Cost (as per management estimate)	-	0.60	-	0.47
Total Service Cost	**-**	**0.60**	**-**	**0.47**
Interest Expense on Defined benefit obligation	-	-	-	-
Total Net Interest Cost	**-**	**-**	**-**	**-**
Reimbursement of Other Long Term Benefits	-	-	-	-
Defined Benefit Cost included in the Statement of Profit and Loss	**-**	**0.60**	**-**	**0.47**
Remeasurements - Due to Financial Assumptions	-	-	-	-
Remeasurements - Due to Experience Adjustments	-	-	-	-
Total Remeasurements in Other Comprehensive Income	**-**	**-**	**-**	**-**
Total Defined Benefit Cost recognised in the Statement of Profit and Loss and Other Comprehensive Income	**-**	**0.60**	**-**	**0.47**

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

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

₹ in Million

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Net Defined Benefit Liability /(Asset) at the beginning	1.90	1.30	-	0.60
Defined Benefit Cost included in the Statement of Profit and loss (as per management estimate)	-	0.60	-	-
Total Remeasurements included in Other Comprehensive Income	-	-	-	-
Employer Direct Benefit Payments	-	-	-	(0.60)
Net Defined Benefit Liability /(Asset) at the end	**1.90**	**1.90**	**-**	**-**

(v) Amounts recognized in the Balance Sheet

₹ in Million

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Defined Benefit Obligation	1.90	1.90	-	-
Fair Value of Plan Assets	-	-	-	-
Funded Status	**1.90**	**1.90**	**-**	**-**
Effect of Asset Ceiling/Onerous Liability	-	-	-	-
Net Defined Benefit Liability/(Asset) **Of which, Short term Liability**	**1.90**	**1.90**	**-**	**-**

(vi) Experience Adjustments - Gratuity

Particulars	2018	2019	2020	2021	2022
Defined Benefit Obligation at the end of the period	10.79	11.60	1.29	1.90	1.90
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience adjustments of Obligation [Gain/(Loss)]	(8.23)	(0.82)	(2.80)	NA	NA
Experience adjustments on Plan Assets	NA	NA	NA	NA	NA

(vii) Maturity Profile of Defined Benefit Obligation :

Not available (N.A)

(viii)Sensitivity Analysis

Not available (N.A)

3.04 Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) as at March 31, 2022 Rs. Nil (Previous Year Rs. Nil).

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

3.05 Contingent Liabilities

₹ in Million

	As at	
	March 31, 2022	**March 31, 2021**
Claims against the company not acknowledged as debts in respect of the following items		
Income Tax Demands for various Assessment Years disputed by the Company *	867.50	631.80
Service Tax Demands disputed by the Company	640.28	640.28
Legal Cases - Office and other administration	9.60	9.60
Legal Cases - Shipping	81.50	81.50
Legal Cases - Dredging	468.40	468.40
	2,067.28	**1,831.58**
Guarantees :		
Counter Guarantee issued by Company for guarantees obtained from bank (net of margin)^	52.58	52.58
Corporate guarantees issued by the Company on behalf of subsidiaries **	4,958.70	4,854.31
Letter of Comforts issued by the Company on behalf of Subsidiary	551.30	533.72
	5,562.58	**5,440.61**

* Against the above the Company has already paid Rs. 593.40 million (Previous Year Rs. 593.40 million)

^ includes guarantees amounting to Rs 16.30 million (Previous Year Rs 16.30 million) which has expired but the cancellation has not been done in records of the Bank.

** Contingent Claims arising out of Corporate Guarantee issued by the Company, has been admitted by RP for Bank of Baroda (Principal amount of Rs. 952.90 million plus Interest amount of Rs. 371.70 million aggregating to Rs. 1324.60 million) and DBS Bank India Ltd. (Principal amount of Rs. 216.60 million and interest of Rs. 20.80 million aggregating to Rs. 237.40 million).

(i) It is not practical for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums /authorities.

The reduction in guarantees are mainly on account of

- restatement of foreign guarantees

- closure of guarantees

(ii) The Company's pending litigations comprise of claims pertaining to proceedings pending with Income Tax, Service Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions were required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(iii) Income Tax Receivables and relative status of assessment / demands / refunds

Current Tax Assets (net) as on March 31, 2022 includes Rs. 691.90 million which has not been settled due to ongoing tax assessment for the various Assessment Years from AY 2003-04 to AY 2018-19 against which net tax demand of Rs. 631.80 million has been received and contested by the Company. The management is taking steps to resolve the cases with the income tax department.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

Income Tax Receivables and relative status of assessment/demands /refunds

₹ in Million

Particulars	As at March 31, 2022		As at March 31, 2021	
Income Tax Assets/Receivable	1,240.18		1,240.18	
MAT Credit entitlement	24.41		24.41	
Total Income Tax Receivable		**1,264.59**		**1,264.59**
income Tax Liabilities/Provision		(704.84)		(716.09)
Income Tax Assets (Net)		**559.75**		**548.50**
Comprises of				
(a) Refund granted but deposited in protest against existing appeals at various forums	465.30		465.30	
(b) Unutilised MAT Credit	24.41		24.41	
(c) Refund claimed under scrutiny assessment	58.61		56.21	
(d) TDS of the current financial year	0.18		2.40	
(e) Reversal of Income Tax Provisions	11.25			
Income Tax Assets (Net)		559.75		548.32
(includes assets (net) - AY 2003-04 and AY 2007-08 to AY 2018-19	691.90		691.90	
Contingent Liabilities (AY 2003-04 and AY 2007-08 to AY 2018-19)		867.50		631.80

3.06 Related Party Disclosures as per Accounting Standard (Ind AS) 24 " Related Party Disclosures"

A List of Related Parties

(Compiled basis the information available with the management)

I Subsidiaries - Fellow/ Step down subsidiaries

Sr.No	Name of the Subsidiary Company	Country of Origin	Remarks
1	Mercator Oil and Gas Limited. (MOGL)	India	
2	Mercator Petroleum Limited. (MPL)	India	Note 3
3	Oorja Resources India Private Limited.	Indian	
4	Mercator Offshore Logistic Private Limited (erstwhile known as Mercator Dredging Private Limited). (MOLPL)	Indian	
5	Mercator Oceantransport Limited (MOTL)	India	
6	Mercator International Pte. Ltd (MIL)	Singapore	
7	Offshore Holdings Company Pte. Ltd (OHCPL) (Erstwhile known as Mercator Offshore Holding Pte Ltd)	Singapore	
8	Oorja Holdings Pte. Ltd (OHPL)	Singapore	
9	Mercator Energy Pte Ltd (MEPL)	Singapore	Note 2
10	Mercator Offshore Assets Holding Pte Ltd (MOAHPL)	Singapore	Note 2
11	Mercator Offshore (P) Pte Ltd (MOPPL)	Singapore	Note 2
12	Panther Resources Pte Ltd	Singapore	
13	Oorja (Batua) Pte. Ltd (OBPL)	Singapore	
14	Oorja 1 Pte. Ltd	Singapore	
15	Oorja Mozambique Minas Limitada	Mozambique	

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

Sr.No	Name of the Subsidiary Company	Country of Origin	Remarks
16	MCS Holdings Pte. Ltd. (MCS)	Singapore	
17	PT Karya Putra Borneo (KPB)	Indonesia	
18	PT Indo Peasa (IPK)	Indonesia	
19	PT Oorja Indo Petangis Four	Indonesia	
20	PT Oorja Indo Petangis Three	Indonesia	
21	PT Bima Gema Permata	Indonesia	
22	PT Oorja Indo KGS	Indonesia	
23	Broadtec Mozambique Minas Lda	Mozambique	
24	Marvel Value International Limited (Wound up on August 31, 2020)	Singapore	Note 1
II	**Key Management Personnel**		
1	Mr.H.K Mittal - Executive Chairman		
2	Mr.Shalabh Mittal - Chief Executive Officer - Mr.Shalabh Mittal tendered his resignation vide email dated June 21, 2021 as Chief Executive Officer and Key Managerial Personnel of the Company with effect from June 21, 2021 citing personal reasons. However, the company is currently undergoing the Corporate Insolvency Resolution Process and the acceptance of the resignations tendered is subject to the relevant provisions of the Insolvency and Bankruptcy Code, 2016.		
3	Mr. Rajendra Kothari - Chief Financial Officer upto 28th Feb, 2022		
4	Mr. Mangesh M. Deokar Bhosale- Chief Financial Officer effective from 1st March, 2022		
III	**Enterprises over which Key Management Personnel exercise significant control**		
1	AHM Investments Private Limited		
2	Prem Punita Foundation (India)- Charitable Trust		
3	HK Sons Realtors Private Limited		
4	Premputli Realtors Private Limited		
5	Sisouli Realtors Private Limited		
6	Mac Maritime Training and Research Institute		
7	Harish Mittal Family Trust		
8	Urban Pod Private Limited		
9	Sissoli Sulphachem LLP		
IV	**Resolution Professional**		
1	Mr. Girish Siriram Juneja		

Notes:

1 During the year,the company has filed voluntary liquidation with Corporate registrar of British Virgin Island under BVI Business Companies Act 2004,which has been approved.

2 During the year, the companies have filed voluntary liquidation with Accounting and Corporate Regulatory Authority Singapore and appointed liquidator for the same.

3 A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order of the NCLT dated August 31, 2020 (Insolvency Commencement Date) under the provisions of the Insolvency and Bankruptcy Code,2016 ('Code').Pursuant to the order, the powers of the Board of Directors stand suspended and are exercisable by Interim Resolution Professional (IRP) who as appointed by the NCLT.

4 The above is basis lates information available with the management and RP.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

B. Details of transactions with the related parties

₹ in Million

Name of the Transaction*	Subsidiary Companies		Key Management Personnel (including relatives)		Enterprises over which Key Management Personnel exercise significant control		Ressolution Professional		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Interest Income										
Mercator Petroleum Limited	47.07	45.90	-	-	-	-			47.07	45.90
Mercator Oil & Gas Limited	57.29	56.70	-	-	-	-			57.29	56.70
Total	**104.36**	**102.60**	**-**	**-**	**-**	**-**			**104.36**	**102.60**
Interest on Debentures										
Mercator Petroleum Limited	18.96	18.90	-	-	-	-			18.96	18.90
Total	**18.96**	**18.90**	**-**	**-**	**-**	**-**			**18.96**	**18.90**
Professional Fees (including reimbursement of out of pocket expenses) paid to Resolution Professional										
Mr. Girish Siriram Juneja	-	-			-	-	2.41	0.43	2.41	0.43
Total	**-**	**-**			**-**	**-**	**2.41**	**0.43**	**2.41**	**0.43**
Interest Income on Corporate Guarantee given to subsidiaries										
Offshore Holding Company Pte Ltd	-	-			-	-			-	-
Mercator International Pte Limited	-	-			-	-			-	-
Mercator Oil and Gas Limited	-	-	-	-	-	-			-	-
Mercator Petroleum Limited	-	-			-	-			-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**			**-**	**-**
Interest expense on Corporate Guarantee given to subsidiaries										
Mercator Oceantransport Limited	-	-	-	-	-	-			-	-
Mercator Petroleum Pvt. Ltd	-	-	-	-	-	-			-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**			**-**	**-**
Investment made during the year										
6% Debentures in Mercator Petroleum Limited	-	-	-	-	-	-			-	-
6% Debentures in Mercator Petroleum Limited - pending allotment	-	-			-	-			-	-
Investment in shares of Mercator Oceantransport Limited	-	-			-	-			-	-
6.51% Preference Shares in Mercator International Limited @	-	-			-	-			-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**			**-**	**-**
Expenses incurred on behalf of										
Mercator Oceantransport Limited	-	0.02			-	-			-	0.02
Oorja Resources India Private Limited	-	1.64			-	-			-	1.64
Mercator Dredging Private Limited	-	0.04			-	-			-	0.04

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

B. Details of transactions with the related parties (Continued.....)

₹ in Million

Name of the Transaction*	Subsidiary Companies		Key Management Personnel (including relatives)		Enterprises over which Key Management Personnel exercise significant control		Ressolution Professional		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Mercator Oil & Gas Limited	-	13.94			-	-			-	13.94
Mercator Petroleum Limited	-	34.92			-	-			-	34.92
Total	**-**	**50.56**			**-**	**-**			**-**	**50.56**
Expenses/liability incurred repaid/Incurred on company behalf										
H.K.Mittal		-	5.60					-	-	
Mercator Petroleum Limited		0.03			-	-			-	0.03
Oorja Resources India Private Limited.	0.11	7.53			-	-			0.11	7.53
Total	**0.11**	**7.56**	**-**	**5.60**	**-**	**-**	**-**	**-**	**0.11**	**7.56**
Loan given during the year										
Mercator Oil & Gas Limited	0.01	14.00			-	-			0.01	14.00
Mercator Petroleum Limited	0.01	34.90			-	-			0.01	34.90
Mercator Drcdging Private Limited	0.10								0.10	
Oorja Resources India Private Limited	1.60								1.60	
Total	**0.02**	**50.60**			**-**	**-**			**0.02**	**50.60**
Loan Repaid during the year										
Mercator Oil & Gas Limited	-				-	-			-	-
Mercator Petroleum Limited	-				-	-			-	-
Offshore Holding Company Pte Ltd @	-				-	-			-	-
Mercator International Pte Limited @	-	-			-	-			-	-
Total	**-**	**-**			**-**	**-**			**-**	**-**
Invocation of shares pledged by Promoters converted into Loan										
Mr H K Mittal	-	-		17.20	-	-			-	17.20
Mrs Archana Mittal	-	-		10.40	-	-			-	10.40
AHM Investments Private Limited	-	-	-	-	-	-			-	-
Total	**-**	**-**	**-**	**27.60**	**-**	**-**			**-**	**27.60**
Shares pledged for loan against shares										
Mr. H.K Mittal	-	-	-	2.30	-	-			-	2.30
AHM Investments Private Limited	-	-	-	-	-	8.51			-	8.51
Total	**-**	**-**	**-**	**2.30**	**-**	**8.51**			**-**	**10.81**
Outstanding Balances as on reporting date										
Letter of Comfort (Promissory Note based)										
Marvel Value International Limited #	54.74	54.74			-	-			54.74	54.74
Total	**54.74**	**54.74**			**-**	**-**			**54.74**	**54.74**

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

B. Details of transactions with the related parties (Continued.....)

₹ in Million

Name of the Transaction*	Subsidiary Companies		Key Management Personnel (including relatives)		Enterprises over which Key Management Personnel exercise significant control		Ressolution Professional		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Corporate Guarantees given										
Mercator International Pte Limited #	88.21	88.21			-	-			88.21	88.21
Mercator Petroleum Limited	95.79	95.79			-	-			95.79	95.79
Mercator Oil and Gas Limited	131.98	131.98			-	-			131.98	131.98
MCS Holdings Pte. Ltd #	169.95	169.95			-	-			169.95	169.95
Total	**485.93**	**485.93**			**-**	**-**			**485.93**	**485.93**
Loan from directors and relative of director										
Mr.H.K.Mittal	-	-	131.88	131.88	-	-			131.88	131.88
Mrs.Archan Mittal (resigned as director dated 03.07.2019)	-	-	29.92	29.92	-	-			29.92	29.92
Total	**-**	**-**	**161.80**	**161.80**	**-**	**-**			**161.80**	**161.80**
Securities Given for Loan Taken by Subsidiary										
Mercator Petroleum Limited	957.90	957.90			-	-			957.90	957.90
Total	**957.90**	**957.90**			**-**	**-**			**957.90**	**957.90**
Guarantees / Securities Taken from Subsidiary for Loan taken by the Company										
Mercator Petroleum Limited	1,264.49	1,264.49			-	-			1,264.49	1,264.49
Total	**1,264.49**	**1,264.49**			**-**	**-**			**1,264.49**	**1,264.49**
Personal Guarantee given by Key Managerial Personnel / relative of director										
Mr H K Mittal			1,925.82	1,925.82	-	-			1,925.82	1,925.82
Mrs Archana Mittal			165.00	165.00	-	-			165.00	165.00
AHM Investment Private Limited			-	-	165.00	165.00			165.00	165.00
Mr Shalabh Mittal			1,000.00	1,000.00	-	-			1,000.00	1,000.00
Total	**-**	**-**	**3,090.82**	**3,090.82**	**165.00**	**165.00**			**3,255.82**	**3,255.82**
Counter Guarantees										
Mercator Petroleum Limited	15.20	15.20			-	-			15.20	15.20
Total	**15.20**	**15.20**			**-**	**-**			**15.20**	**15.20**
Loans and Advances Receivable										
Mercator Oil & Gas Limited	985.08	927.78			-	-			985.08	927.78
Mercator Petroleum Limited	892.65	826.62			-	-			892.65	826.62
Total	**1,877.73**	**1,754.40**			**-**	**-**			**1,877.73**	**1,754.40**
Loan and Other Receivable										
Mercator Offshore (P) Pte Limited #	14.32	14.32			-	-			14.32	14.32
MCS Holdings Pte. Ltd. #	-	-			-	-			-	-
Mercator Offshore Logistic Private Limited	20.29	20.29			-	-			20.29	20.29
Oorja Resources India Private Limited	0.33	0.46			-	-			0.33	0.46
Total	**34.94**	**35.07**			**-**	**-**			**34.94**	**35.07**

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

B. Details of transactions with the related parties (Continued.....)

₹ in Million

Name of the Transaction*	Subsidiary Companies		Key Management Personnel (including relatives)		Enterprises over which Key Management Personnel exercise significant control		Ressolution Professional		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Loan and Other Payables										
PT Karya Putra Borneo #	-	-			-	-			-	-
Vaitarna Marine Infrastructure Limited	-	-			-	-			-	-
MCS Holdings Pte. Ltd. #	67.55	67.55			-	-			67.55	67.55
Mercator Oceantransport Limited	0.23	0.23			-	-			0.23	0.23
Total	**67.78**	**67.78**			**-**	**-**			**67.78**	**67.78**
Remuneration paid to key Management Personnel										
Mr Rajendra Kothari			2.80	6.30					2.80	6.30
Mr Gurpreet Malhi			-	10.90					-	10.90
Mr Mangesh M. Deokar Bhosale			0.15						0.15	-
Total	**-**	**-**	**2.95**	**17.20**	**-**	**-**			**2.95**	**17.20**

C) Compensation of key management personnel of the company

₹ in Million

Particulars	Current Financial Year	Previous Financial Year
Short Term employee benefits		2.95 17.20
Post employment benefits		- -
Termination benefits		- -
Share-based payments		- -
Total compensation of key management personnel		**2.95 17.20**

Key Managerial Personnel and Relatives of Promotors who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Ind AS financial statements. These employee benefits are lump sum amounts which were provided on the basis of actuarial valuation until previous year. No actuary valuation has been done in this year due to employees less than 10 during the year and the Company management being handed over to RP. Hence, the same is not included above and will be accounted as and when paid.

@ includes impact of revaluaiton of underlying foreign currency transaction at average exchange rate of respective year.

includes impact of revaluaiton of underlying foreign currency transaction at closing exchange rate of respective year end.

Transactions with foreign subsidiaries includes unrealised foreign exchange gain/loss.

Figures stated above for receivables are gross outstanding and provision of impairment wherveer provided in financials have not been considered while reporting related party transaction.

amount excluding premium on redemption of NCDS

D) Sitting Fees Paid to Non-Executive Directors

₹ in Million

	Current Financial Year	Previous Financial Year
Directors Sitting Fees	0.95	1.15

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

3.07 Disclosure as per Ind AS 17 "Leases":

Effective April 1, 2019, the Company had adopted IND-AS 116 "Leases" on all material lease arrangement existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment amounting to Rs. 3.40 millions to retained earnings, on the date of initial application. The lease was discontinued later on.

(A) Operating Lease (as Lessee):

Disclosures in respect of cancellable agreements for office premises taken on lease

₹ in Million

		As at	
		March 31, 2022	March 31, 2021
(i)	Lease payments recognized in the Statement of Profit and Loss*	-	-
(ii)	Significant leasing arrangements		
	The Company had given refundable interest free security deposits under the agreements in earlier years, against the premises already vacated, which is still otstanding to be recovered	10.80	10.80
(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

*Rent amounting to Rs.0.36 million has been paid for godown taken for storage of documents.

(B) Operating Lease (as Lessor):

Disclosures in respect of cancellable agreements for office given on lease

₹ in Million

		As at	
		March 31, 2022	March 31, 2021
(i)	Lease receipt recognized in the Statement of Profit and Loss	-	-
(ii)	Future minimum lease receivable under non-cancellable agreements		
	Not later than one year	Nil	Nil
	Later than one year and not later than five years	Nil	Nil
	Later than five years	Nil	Nil

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

Information related to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:

₹ in Million

		As at	
		March 31, 2022	March 31, 2021
(i)	Principal amount outstanding	3.79	3.54
(ii)	Interest on Principal amount due #	3.07	2.60
(iii)	Interest and Principal amount paid beyond appointment day	Nil	Nil
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specific ed under MSME Development Act	Nil	Nil
(v)	The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act.	3.07	2.60

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

The Interest due has been computed basis the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, wherein it has been stated that if the buyer fails to pay MSME registered supplier within agreed timelines (if not agreed than 45 days), then buyer shall be liable to pay compounded interest with monthly rests to the supplier on that amount from the appointed date or as the case may be from the date immediately following the date agreed upon, at three times of the Bank rate notified by the Reserve Bank of India. The rate considered for above calculation is Current Year 12.75% (Previous Year 13.00%) per annum.This has not been accounted in the books of accounts.

3.09 Tonnage Tax Reserve

In terms of Section 115VT of the Income Tax Act, 1961, the Company is required to transfer a minimum of 20% of book profits from the tonnage tax activities in tonnage tax reserve which are to be utilised for acquiring new ships within 8 years of such transfer.

During the FY 2021-22, Company has incurred a book profit of Rs. 40.86 millions (Previous Year Loss Rs. 2037.62 millions). The Company has book profit in the financial year because of reversal of impairment of vessels and there is no operational shipping activities. Furthermore, the company is into liquidation and will not carry any shipping activity in future and in view of this the company has not transferred 20% of book profit in tonnage tax reserve."

3.10 Details of loans given, investment made and guarantee given covered under section 186(4) of the Companies Act. 2013:

(I) Loans and Advances

₹ in Million

Name of the Company	Relationship	Nature of Transaction	As at	
			March 31, 2022	March 31, 2021
Mercator Offshore Logistic Private Limited	Subsidiary	Loans and Advances	20.29	20.29
Mercator Petroleum Limited #	Subsidiary	Loans and Advances	892.65	826.62
Mercator Offshore (P) Pte. Limited*	Subsidiary	Loans and Advances	14.32	14.32
Mercator Oil and Gas Limited#	Subsidiary	Loans and Advances	985.08	927.78
Oorja Resources India Private Limited	Subsidiary	Loans and Advances	0.33	0.46

All the above loans are utilized by respective companies for their business activities.

The particulars of company's investment in wholly - owned subsidiaries are disclosed in Note - 2.2

*Includes exchange fluctuation on reinstatement / repayment of Loans

Interest accrued on loan and optionally convertible debenture is also added in balance of loan receivable.

(ii) Investments during the year 2021-22

₹ in Million

Name of Subsidiaries	Opening Balance	Additions	Deletions	Closing Balance
Mercator Petroleum Limited	795.37	-	-	795.37
Mercator International Limited @	4,156.73	136.94	-	4293.67

@ Deletion represent revaluation impact during the year due to change of exchange rate.

Investments during the year 2020-21

₹ in Million

Name of Subsidiaries	Opening Balance	Additions	Deletions	Closing Balance
Mercator Petroleum Limited	795.37	-	-	795.37
Mercator International Limited @	4,263.12	-	106.38	4,156.74

@ Addition represent revaluation impact during the year due to change of exchange rate.

Notes forming part of the standalone financial statements
for the year ended March 31, 2022

(iii) Guarantees given

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

₹ in Million

Guarantee given on behalf of	Outstanding as at March 31, 2022	Outstanding as at March 31, 2021
Mercator International Pte. Limited*	882.06	882.06
MCS Holdings Pte Limited*	1,699.52	1,699.52
Mercator Oil and Gas Limited*	1,319.83	1,319.83
Mercator Petroleum Limited*	952.90	952.90
Total	**4,854.31**	**4,854.31**

*Parent Company guarantees issued in favour of Banks for Loans availed by the subsidiaries for their Business activities. The balances indicated above are based on the limited financial information available with the company. Refer note 3.26 for more details.

(iv) Letter of Comfort (Promissory Note based)

₹ in Million

	As at	
	March 31, 2022	March 31, 2021
Letter of Comfort is issued in favour of Bank for the Loan availed by subsidiary for its business activity.	533.70	533.70

(v) Security Given

₹ in Million

	As at	
	March 31, 2022	March 31, 2021
Charge created on property of the company (Refer note 2.1(vii))#	957.90	957.90

The above is basis latest information available with the management & RP

(vi) Security Taken

₹ in Million

	As at	
	March 31, 2022	March 31, 2021
Charge on fixed assets and cash flow of one of a Indian subsidiary for non- convertible debenture of the Company (Refer not 2.14 (a))	1,264.49	1,264.49
Pledge on shares of one of the subsidiary incorporated in India for loans against shares taken by the Company	125.48	125.48

3.11 Disclosure as required under Regulation 34(3) and 53(f) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015

₹ in Million

Name of the Company	As at March 31, 2022	Maximum outstanding during 2021-22	As at March 31, 2021	Maximum outstanding during 2020-21
Mercator Oil and Gas Limited	985.08	985.08	927.78	927.78
Mercator Petroleum Limited	892.65	892.65	826.62	826.62
Mercator Dredging Private Limited (Formerly known as Mercator FPSO Private Limited)	20.29	20.29	20.29	20.29
Mercator Offshore (P) Pte. Ltd.	14.32	14.32	14.32	14.32
Oorja Resources India Private Limited	0.33	0.33	0.46	0.46

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

3.12 Income Tax expense

(A) Tax Expenses recognized in the Statement of Profit and Loss

₹ in Million

Particulars	Year Ended	
	March 31, 2022	March 31, 2021
Current tax		
Current tax on taxable income for the year	-	-
Excess/(Short) provision for tax of earlier years	11.25	(93.51)
Total Current tax expense (A)	11.25	(93.51)
Effective Tax Rate	N/A	N/A

Effective tax rate is not applicable as the Company is paying tax under tonnage tax provision under section 115V of Income Tax Act 1961. Other tax of earlier years represent write of off withholding tax for which credit is not available or taken in respective financial year.

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

₹ in Million

Particulars	Year Ended	
	March 31, 2022	March 31, 2021
Profit before Tax	40.86	(2,037.62)
Indian statutory income tax rate	26.00%	26.00%
Expected income tax expense	0.00	0.00
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Gain attributable to tonnage tax activity	-	-
Others earlier year adjustments	11.25	(93.51)
Total income tax expense	11.25	(93.51)

* Note: In case of Indian shipping companies, tax expense is computed based on the gross tonnage of the vessels for the income subject to tonnage tax. In case of income not subject to tonnage tax, the same is calculated based on the taxable profits calculated in accordance with the local tax laws.

In the view of management, since there was no business operations during the year, hence no tonnage tax is required to computed or provided in the books of accounts.

3.13 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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

Risk management framework

The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operations and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation. Corporate Insolvency Resolution Process (CIRP) has been initiated in case of the Company and three of its subsidiaries under the Provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Company stand vested with the Resolution Professional (RP) appointed by the NCLT. The framework and the strategies for effective management will be established post implementation of Resolution Plan. Presently, the financial management activities are restricted to management of current assets and liabilities of the Company and the day to day cashflow and its associated risks are as under:

(a) Market Risk

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in interest rates.

There have been many delays and defaults in earlier years pertaining to payment of Interest and instalment dues, the defaults continues as on March 31, 2022. Given the fact, the Company is under moratorium under CIRP, any outcome will depend on the resolution, if and when, achieved under the process."

₹ in Million

	As at	
	March 31, 2022	March 31, 2021
Total Borrowings (including redemption premium amounting to Rs. 211.20 million as on March 31, 2022 (Previous Year Rs. 211.20 million))	9,640.43	9,640.43
% of Borrowings out of above bearing variable rate of Interest	6.89%	6.89%

The Company is exposed to interest rate risk as it borrows funds at floating interest rates. The interest rate risk is managed by monitoring the Company's level of borrowings periodically and structuring its borrowings on varying maturities and interest rate terms.

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the entire year.

A 50 basis point increase or decrease is used when reporting interest rate risk and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2022 would increase/decrease by Rs. 28.50 millions (Previous Year Rs. 28.50 millions). 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, if and when it commences. Also, the Company's vessels are susceptible to arrests by maritime claimants (which are already under arrest) which could result in significant loss for the Company. In times of emergency or wars, the Government could demand the Company's vessels without adequate compensation. The Company is having exposure of various specific compliance of renewal of non-operational vessels, payment of provident funds, TDS in relation to crew members etc which are pending on account of liquidity crisis. The Company has disclosed all such liabilities due and payable. Considering past events including the fact that one of the vessel of the company was sunk, company is at an exposure of damage of sea environment and there is a possibility of liability under applicable provision of Environment Laws. Other than that, the company has no operational vessel / dredgers as on March 31, 2022. However, the Company is exposed to the risk of compliance pertaining to non - operational dredgers with the Company or sold / auctioned in past.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

iii) Other price risk:

The Company is not exposed to any significant equity price risks arising from equity investments, as on March 31, 2022. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade in these investments.

Equity price sensitivity analysis:

During the year, the share price of the company has shapely fallen and pursuant to that several financial creditors who has given loan against shares have sold pledged shares of promoters in market at various prices. This has further impacted on volatility and columns in market and reduced prices. During the year, the Company has faced few block deals on stock exchanges for offloading of shares. There is a change of capital structure for holding of promoters as well as holding of Foreign Institutional Investors (FII).

iv) Foreign currency risk

Foreign currency risk mainly arises from transactions undertaken by an operating unit denominated in currencies other than its functional currency. Pursuant to sale of vessels and discontinuation of several charter hire contracts, the exposure to foreign currency risk has been changed considerably. Presently the company is not having significant arbitrage advantage as intercompany loans outstanding has been provided in the books. In addition to that for incremental exposure, the financials will have an impact on fluctuation of foreign currency rates. The company have not entered into any arbitrage facility for hedging purpose.

Since, a significant amount of revenue and exposures are denominated in US dollars, there is a translation risk as the Company has to report its financial performance in Rs.. The carrying amounts of the Company's financial assets and financial liabilities denominated in foreign currencies at the reporting date in Rs. are as follows:

₹ in Million

	As at	
	March 31, 2022	March 31, 2021
Details / Currency		
Cash and Cash equivalents		
- USD	0.00	0.00
Other Financial Assets		
- USD	4,345.76	4,208.82

As stated in note 3.21,the RP has crystallised and admitted the claims in Rs. on February 07, 2021, accordingly there is no further exposure for currency risk in case of borrowings.

(b) Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Financial assets are written off when where there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. When such recoveries are made, these are then recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(a) **Trade Receivable**

Ageing of Accounts Receivables

₹ in Million

	As at	
	March 31, 2022	**March 31, 2021**
Less than 180 days	-	-
More than 180 days	417.84	417.84

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

The details of other provisions and its movement included in Note 2.26 is as under:

Provision / Bad Debt

₹ in Million

Particulars	Trade Receivables	Capital Advances	Loans and Advances	Inter Corporate Deposit	Total
Opening Balance as on April 01, 2021	**14.72**	**0.00**	**174.70**	**0.00**	**0.96**
Transaction during the year					-
Bad Debt written off against opening provision/Reversal	-				-
Closing Balance March 31, 2022	**14.72**	**0.00**	**174.70**	**0.00**	**0.96**
Opening Balance as on April 01, 2020	**34.70**	**0.00**	**174.7**	**0.00**	**20.94**
Transaction during the year					0
Bad Debt written off against opening provision	(19.98)				(19.98)
Closing Balance March 31, 2021	**14.72**	**0.00**	**174.70**	**0.00**	**0.96**

(b) **Expected Credit Loss**

₹ in Million

Particulars	Trade Receivables	Capital Advances	Loans and Advances	Inter Corporate Deposit	Total
Opening Balance April 01, 2021	**28.64**	**163.20**	**0.70**	**-**	**192.54**
Reversal Provision During the year	-	-	(0.11)		(0.11)
Closing Balance March 31, 2022	**28.64**	**163.20**	**0.59**	**-**	**192.43**
Opening Balance April 01, 2021	**22.74**	**163.20**	**6.60**	**-**	**192.54**
Reclassification during the year	5.90	-	-		5.90
Reclassification during the year			(5.90)		(5.90)
Closing Balance March 31, 2022	**28.64**	**163.20**	**0.70**	**-**	**192.54**

(c) **Cash and cash equivalents and Other bank balances**

The Company held cash and cash equivalents and other bank balances of Rs. 43.58 million as at March 31, 2022 (Previous Year Rs. 66.56 million). The cash and cash equivalents are held with bank with good credit ratings.

(d) Other financial assets

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired

(e) Investments

The Company does not have any exposure in other Investment except Investment in subsidiaries and loan and advances given to these parties. The Company has made provision for impairments at regular intervals and disclosed in the financial statements.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

(c) Liquidity Risk

Liquidity risk is the financial risk that is encountered due to uncertainty resulting in difficulty in meeting its obligations and deployment of assets for its economic use. An entity is exposed to liquidity risk if market on which it depends are subject to loss of liquidity for any reason; intrinsic to its business operations, availability of contractual obligation, affecting its credit rating, positive outcome of existing litigations filed by subsidiaries and realisation of their assets, or unexpected cash outflows. Prudence requires liquidity risk to be managed in addition to market, credit and other risks as it has tendency to compound other risks. It entails management of asset, liabilities focused on a medium to long-term perspective and future net cash flows on a day-by-day basis in order to assess liquidity risk.

The Company is under Corporate Insolvency Resolution Process (CIRP). The Company depends upon operational deployment of its vessels and timely receipt thereto as well as vendor payments (including settlement and litigations) can severely impact the current level of operation. Liquidity crises had led to default in repayment of principal and interest to lenders. Several subsidiaries of the Company are also under financial stress or under liquidation / insolvency proceedings. Given the fact, the Company is under moratorium under CIRP, any outcome will depend on the resolution, if and when, achieved under the process.

The following tables detail the Company's remaining contractual maturity for its non derivative financial liabilities, based on contractually agreed discounted cash flows:

Maturity Analysis of Significant Financial Liabilities

₹ in Million

As at March 31, 2022	Contractual Cash Flows				
	Up to 1 year	1-3 years	3-5 years	More than 5 years	Total
Financial Instruments					
Borrowings	9,640.43	-	-	-	9,640.43
Trade Payables	432.76	-	-	-	432.76
Other financial liabilities	3,454.57	0.30	-	-	3,454.87
	13,527.76	**0.30**	**-**	**-**	**13,528.06**

As at March 31, 2021	Contractual Cash Flows				
	Up to 1 year	1-3 years	3-5 years	More than 5 years	Total
Financial Instruments					
Borrowings	9,640.43	-	-	-	9,640.43
Trade Payables	434.68	-	-	-	434.68
Other financial liabilities	3,674.23	0.30	-	-	3,674.53
	13,749.34	**0.30**	**-**	**-**	**13,749.64**

(d) Legal Risk

In view of the financial position and corresponding various payment defaults, the Group is exposed to a large number of litigation risks. The Group has also filed several cases or counter claims directly or through its subsidiaries where significant amount is involved in litigation or may be recovered upon settlement. The various litigations are in process which have been covered in notes of the consolidated financial statement and in the view of the uncertainties involved it is not possible to estimate the possible impact of the same on the Financial Statements.

3.14 Capital Management

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. However, the entire networth of the Company is fully eroded and the Company is under CIRP.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

The debt equity for the year is as under:

₹ in Million

	As at	
	March 31, 2022	March 31, 2021
Borrowings (Rs. in Million) - (A)	9,640.43	9,640.43
Total Equity (Rs. in Million) - (B)	(9,791.59)	(9,843.70)
Debt Equity Ratio (A/B)	(0.98)	(0.98)

3.15 The Company does not have any long term contracts including derivative contracts as at March 31, 2022 (PY: Nil) wherein the company is required to make provision towards any foreseeable losses.

3.16 During the Financial year 2020-21, the Company and its promoter director have entered into settlement agreement by way of a Memorandum of Understanding (MoU), to settle the dues with a lender with a principal liability of Rs. 60 million at an amount of Rs. 10 million. As per the terms of the agreement executed on June 18, 2020, the same has been discharged by the promoter director of the Company, being the guarantor under the credit facility and the resultant gain of Rs. 50 million arising on extinguishment of liabilities to the company has been accounted as 'Other Income' in the previous year. The interest payable to the lender as on the date of execution of MoU amounting to Rs. 24.4 million (including Rs. 19.00 million as on March 31, 2020 which has been reversed and Rs.5.40 million pertaining to June 2020 which has not been accounted) has been reversed / forgone. The reversal has been included in "Other Income".

3.17 In view of ongoing default in repayment of loans from Banks and Financial Institutions / Non≈ Banking Finance Companies in September 2018 and onwards, as on March 31, 2020 the managerial remuneration paid to a promoter director was in excess of the prescribed limits, to the extent of Rs. 16.20 million, as per Companies Amendment Act 2017 (effective from 12th September 2018). The excess pay out had been reversed and the same was recoverable from him as on March 31, 2020. In view of the expert opinion obtained by the Company during the previous year, the Company has adjusted entire amount recoverable against the payment made by the promoter director on behalf of the Company of Rs. 10 million under the settlement agreement (Refer note 3.16) and amount of Rs. 6.20 million towards other outstanding payables by the Company towards reimbursements.

3.18 Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 1 to the financial statements.

(a) The carrying value of financial instruments (excluding impairment provision) by categories is as follows -

₹ in Million

	As at	
	March 31, 2022	March 31, 2021
Financial assets:		
Measured at amortised cost		
Cash and cash equivalents	22.92	15.08
Bank balances other than Cash and cash equivalents	20.66	51.48
Loans	1,265.89	1,237.24
Trade receivables	417.84	417.84
Investment in Debentures of Subsidiary	316.07	316.07
Investment in Non Redeemable Preference Shares of Subsidiary	4,293.67	4,156.73
Other Financial assets	642.97	641.85
Measured at Cost		
Investment in Equity Shares of Subsidiaries	533.74	533.74
Investment in Equity Shares-Others	0.01	0.01
Total	**7,513.77**	**7,370.04**

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

₹ in Million

	As at	
	March 31, 2022	**March 31, 2021**
Financial liabilities:		
Measured at amortised cost		
Borrowings	9,640.43	9,640.43
Other financial liabilities	3,454.87	3,674.53
Trade and other payables	432.76	434.68
Total	**13,528.06**	**13,749.64**

Carrying amounts of trade receivables, cash and cash equivalents and trade payables as at March 31, 2022 and March 31, 2021 approximates the fair values because of their short term nature. Difference between carrying amounts and fair values of other bank balances, borrowings, and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented. Given the fact, the Company is under CIRP, the fair value will depend on the resolution, if and when, achieved under the process.

(b) Fair Value Hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active market for identical assets or liabilities

- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a) The fair value of loans from banks and other financial indebtedness as well as other non current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.

b) Derivative instruments have been fair valued on the reporting date on the basis of quotes provided by the third party qualified valuer / market participants.

However, none of the financial assets and liabilities have been fair valued during the current year and previous year.

3.19 A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Pursuant to the order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who had been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC). The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the code. Accordingly, an application for liquidation has been filed in terms of section 33 of the Code, which is pending adjudication by the NCLT.

The standalone financial statements of Mercator Limited (hereinafter referred as "the Company") for year ended March 31, 2022 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors chaired by the Resolution Professional (RP) held on May 28, 2022. The said standalone financial statements of the Company have been prepared by the management of the Company and certified by the Director and Chief Financial Officer of the Company. The RP has relied upon the assistance provided by the members of the Audit Committee in review of the financial results and certifications, representations and statements made by Director of the Company in relation to these

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

financial statements. As authorised, Director and Chief Financial Officer of the Company have signed the financial statements and the RP has taken on record the said statement of financial statements only to the limited extent of discharging the powers of the Board of Directors of the Company which has been conferred upon him in terms of provisions of Section 17 of the Code.

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

3.20 Disclosure of Going Concern Assumption

The financial statements of the Company have been prepared on a going concern basis by the management. The company has substantial negative retained earnings as at March 31, 2022, wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net≈worth. Further, the Company had since disposed≈off the substantial part of the Property, Plant and Equipment (PPE). As on March 31, 2022 the Company has only two non≈operating dredgers which have been arrested by operational creditors. The current liabilities substantially exceed the current assets and large sums of money receivable are in dispute, which is not readily realisable. As referred to in Note 3.23, a CIR process has been initiated by Hon'ble NCLT, Mumbai. It may be further noted that in consonance with the stipulations contained in Section 14 of the Code, a moratorium has been declared in the aforesaid order passed by the Hon'ble NCLT, inter alia, prohibiting the following:

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

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

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

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

The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable resolution plan by the prospective investor. The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the code. Accordingly, an application for liquidation has been filed in terms of section 33 of the Code, which is pending adjudication by the NCLT. Further the RP is required to make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern.

The management / RP is of the view that they are making best efforts to achieve favourable order in ongoing litigations in order to protect the value of its assets and is making efforts to revive operations. As per rules and regulations of the Corporate Insolvency Resolution Process (CIRP) stipulated under the Insolvency and Bankruptcy Code, 2016, RP has invited Resolution Plans from the eligible Prospective Resolution Applicants (PRA). The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the code. Accordingly, an application for liquidation has been filed in terms of section 33 of the Code, which is pending adjudication by the NCLT.

Further, the Company believes that the claims receivable for Rs. 15,800 million at the group level could, if realised, provide a reasonable sufficient opportunity for the repayment of loans from lenders and provide required resources for the development of business opportunities for the revival.

In view of the aforesaid details and pending decision by NCLT, the financial statements of the Company have been prepared on going concern basis."

3.21 As per the Code, the RP has to receive, collate, verify and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the COC. The RP is in the process of collating and verifying such claims, as and when they are received, and shall subsequently admit such verified

Notes forming part of the standalone financial statements
for the year ended March 31, 2022

claims against the Company as per the Code. Pending admission of the claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the audited financial results. Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on Insolvency Commencement Date ("ICD date") (Rs.9206.50 million). Total amount of claims towards principal dues of the financial creditors as on March 31, 2022 stand as under:

Particular	Rs. in million*
(a) Principal amount of Loans admitted by RP	9206.5
(b) Claims under verification by RP/Not filed	Nil
Total*	**9206.5**

*In addition, Contingent Claims arising out of Corporate Guarantee issued by the Company, has been admitted by RP for Bank of Baroda (Principal amount of Rs. 992.60 million plus Interest amount of Rs. 334.0 million aggregating to Rs. 1326.60 million) and DBS Bank India Ltd. (Principal amount of Rs. 216.60 million and interest of Rs. 20.80 million aggregating to Rs. 237.40 million).

3.22 Finance cost amounting to Rs. 2101.20 million for the year ended March 31, 2021 includes Rs. 1010.30 million towards penal interest levied by lender(s) on loans recalled / event of default. Interest or any other charges has not been accrued in the books of accounts from the date of commencement of CIR process, i.e. 8th February, 2021 onwards, on account of moratorium under section 14 of Code.

3.23 The Company had impaired investment amounting to USD 566.50 million (Rs. 4156.70 million) in Non‑Cumulative Redeemable Preference Shares (NCRPS) of its wholly owned subsidiary Mercator International Pte Ltd, Singapore (MIPL) in the financial year 2019-20. The step‑down Subsidiary Company had last carried out valuation of coal business taking cut‑off date December 31, 2020 for the purpose local reporting requirement and the same has been considered for financial reporting as on March 31,2021 and March 31, 2022 as well. However, due to on‑going events such as commencement of liquidation proceedings in Mercator International Pte. Ltd (MIPL), Singapore with effect from April 9, 2021 and non‑availability of audited financial statements of step down coal subsidiaries at Indonesia for year ended March 31, 2022, any impact on the valuation is not known as on the date. The coal business is housed in companies which are a subsidiary of MIPL and given the fact that a liquidation has been ordered in case of MIPL by the High Court of the Republic of Singapore, the coal business will be monetized by the liquidator of MIPL or the receiver appointed by the financial creditors with whom the shares of the subsidiary owning the coal business have been pledged, as the case may be. The residual value, if any, after settling the debts of the financial and other creditors would be available for redemption of the NCRPS of MIPL held by Mercator Limited and accordingly the entire impairment provision continues to be held. No latest information is available with the management of the Company as on March 31, 2022.

3.24 Mercator Oil & Gas Limited ('MOGL'), a subsidiary of the Company was engaged in EPC project awarded by ONGC for conversion of their Mobile Offshore Drilling Unit (MODU) 'Sagar Samrat' into a Mobile Offshore Production Unit (MOPU). On September 25, 2018, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project after completing almost 96% of the project work. MOGL has since initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed. The proceedings are underway. In addition to above, based on the order of Hon'ble Bombay High Court dated July 29, 2019, ONGC had invoked Bank Guarantee amounting to Rs. 1421.90 million which had been accounted in the books of the accounts of MOGL in the quarter ended June 30, 2019. Based on the progress of the arbitration proceedings and discussion with the legal counsel, the management is hopeful of a positive outcome in the claim of Rs. 1,9467.30 million filed against ONGC. Accordingly, in the financial year 2021-22, the Company made 50% impairment for an amount of Rs. 28.60 million for the year ended March 31, 2022 towards accrued interest on loan given to MOGL. Out of the total outstanding loan of Rs. 985.10 million, unimpaired amount as on March 31, 2022 is Rs. 599.50 million after considering a provision for impairment of Rs.385.60 million.

Further, one of the operational creditors has filed petition u/s 9 of IBC 2016 before the National Company Law Tribunal (NCLT), Mumbai Bench against MOGL and the said application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) was admitted vide the order of NCLT dated June 30, 2021 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order and subsequently confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC) in their meeting held on July 27, 2021. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

In terms of an update received from RP, the arbitration tribunal had provided further revised schedule of hearing from October 18, 2021 to October 23, 2021 and final hearing from December 6, 2021 to December 11, 2021. ONGC with a view of postponing the trial, filed a writ petition in Bombay High Court, challenging Tribunal's various orders for timely completion of October,2021 Trial. On 18 October 2021, the Tribunal convened to commence the October Trial. However, ONGC was not present in the trial. On 19 October 2021, the MOGL was served with an un-numbered writ petition to be filed by the ONGC before the Bombay High Court ("Writ Petition"), inter alia seeking a direction to the Tribunal not to proceed with the October Trial till such time as the NCLT decides the Parties' applications, a stay of this Arbitration until final disposal of the Writ Petition, and interim and ad interim reliefs in this regard. The hearing on this petition is now fixed for 15 December 2021. ONGC appeared on the 22nd October, 2021 and requested for new dates for October Trial. Despite MOGL's objections, new dates were for hearing were give as under:

(a) 10, 20 -22 December, 2021 for Respondent's opening submissions and for completing cross-examination witnesses of both parties;

(b) 17-20 January, 2022 for Claimant's oral submissions

(c) 14-17 February 2022 for Respondent's oral submissions

(d) 18 February, 2022 for Claimant's oral submissions in rejoinder.

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

Pursuant to the public announcement dated June 30, 2021 in relation to invitation for submission of claims against MOGL, the Company has submitted its claim on MOGL for outstanding debt as on July 15, 2021 for a total claim of Rs. 2227.2 million comprising of Term Loan for a total amount of Rs. 942.10 million and corporate guarantee issued to Axis Bank Ltd. (for and in behalf of MOGL) for a total amount of Rs. 1285.10 million. The Company has received an acknowledgement of submission of claim from the RP of MOGL who have informed that the Company being a related party of MOGL shall not have any right of representation, participation and voting in a meeting of the CoC. The RP of MOGL has updated that the claim of Mercator Ltd. as a financial creditor for unsecured loans (without voting rights) for Rs. 2227.20 million have been admitted provisionally by the Interim Resolution Professional for Rs. 942.10 million. The balance amount of claim for Corporate Guarantee executed by Mercator Limited in favour of Axis Bank Limited for various credit facilities by Axis Bank to Corporate Debtor (Rs. 1285.10 million) is admitted as contingent.

A claim of Rs. 19,470 million (USD 262 Mn) has been made by the subsidiary company on ONGC. In the view of the management and based on legal advice made available earlier, an estimated amount of Rs. 12,880 million (USD 173.36 Mn) could probably be awarded as payable to the subsidiary company. However, any impact of the settlement will be known only after completion of the ongoing arbitration proceedings."

3.25 With respect to Mercator Petroleum Limited (MPL), which is a material subsidiary -

The Company has receivable towards loan given of Rs. 892.70 million (including debentures) to Mercator Petroleum Limited (MPL) as on March 31, 2022, against which impairment of Rs. 226.20 million has been created and balance outstanding as on March 31, 2022 is Rs. 666.50 million. During the year ended March 31, 2022, the Company has provided additional impairment of Rs. 47.10 million for the year ended March 31, 2022 towards accrued interest on loan to Mercator Petroleum Limited (MPL), Rs. 19 million towards interest accrued on 6% optionally convertible debentures issued by MPL, on evaluating the following criteria –

a. In October, 2019, MPL has received notice of termination from the Ministry of Petroleum and Natural Gas (MOPNG) in compliance with Production Sharing Contract (PSC) for its non-operative oil Block (CB-3) and also has demanded costs and other dues to be determined as per terms and conditions of PSC. The management of MPL and the Company is confident of defending the amounts claimed by Directorate General of Hydrocarbon (DGH). In event of rejection of subsidiary's contention, estimated financial impact on the Company would be approx. Rs. 358.00 million.

b. The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against one of the material subsidiary of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order who has taken charge under the directions of the Committee of Creditors. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. In terms of the last update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had floated an Expression of Interest and had received interest from Public and Private Players in the process. The Request for Resolution Plans (RFRP) has been issued to the shortlisted Prospective Resolution Applicants (PRA) and they are required to submit their Resolution Plans in October 2021 as per the process laid down under the Code. Prospective Resolution Applicants (PRAs) have expressed their interest in the Oil Assets of MPL. The process of due diligence by these entities is currently going on. However, due to a pending litigation filed in NCLT by a financial creditor of the Parent Company and a consequent stay granted by NCLAT, the timelines under the Code stand extended."

3.26 Non – receipt of Audited or management certified Financial Statements from subsidiaries (Step – down subsidiaries)

Indian Subsidiaries –

In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) vide order of NCLT dated August 31, 2020, the financial statements / financial results / financial information of Mercator Petroleum Limited, one of the material subsidiaries of the Company for the quarter and year ended March 31, 2022 have not been made available to the Company by IRP of the said material subsidiary. In view of this, the financial statements / financial results / financial information available as on March 31, 2021, which are neither management / IRP certified nor audited, have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022.

In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) vide order of NCLT dated June 30, 2021, financial statements / financial results / financial information of Mercator Oil and Gas Limited, one of the material subsidiary of the Company, for the nine months period ended December 31, 2021 have been made available to the Company by IRP of the said material subsidiary, which are neither management / IRP certified nor audited, have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022.

The financial statements / financial results / financial information of Oorja Resources India Pvt. Ltd, Mercator Offshore Logistics Pvt. Ltd. and Offshore Transport Pvt. Ltd. for the quarter ended June 30, 2021 which have neither been certified by the management nor have been audited / reviewed, have been considered for the purpose of preparation of Consolidated Financial Results basis the financial information available with the Holding Company for the quarter ended June 30, 2021. However, the said subsidiaries have not provided their financial statements / financial results / financial information for year ended March 31, 2022. In view of the same, the financial statements / financial results / financial information available for the period ended June 30, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and year ended March 31, 2022.

Overseas Subsidiaries –

Financial Statements / financial results / financial information of 4 nos. of Singapore subsidiaries i.e. Oorja 1 Pte. Ltd., Oorja Batua Pte. Ltd., Oorja Holdings Pte. Ltd. and Panther Resources Pte. Ltd. for the half year ended September 30, 2021, which are neither been certified by the management or liquidator nor audited / reviewed and the same has been considered as provided by the liquidators of Mercator International Pte. Ltd., Singapore for the purpose of preparation of Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2021. However, the said subsidiaries have not provided their financial Statements / financlial results / financial information for the year ended March 31, 2022. In view of the same, latest financial Statements / financial results / financial information available for the period ended September 30, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022.

MCS Holdings Pte. Ltd. (In Liquidation) is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 16, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators of MCS Holdings Pte. Ltd. Financials Statements / financial results / financial information of MCS Holdings Pte Ltd. (MCS) (in liquidation) have not been provided to the Company by the liquidators of such subsidiaries. In view of this, financial Statements / financial results / financial information available as on March 31, 2021 have been considered for the

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

purpose of preparation of the Consolidated Financial Results of the Company for the year ended March 31, 2022.

Mercator International Pte. Ltd. (In Liquidation) a material subsidiary of the Company at Singapore, currently under liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators of Mercator International Pte. Ltd. Financials Statements / financial results / financial information of Mercator International Pte Ltd. (MIPL) (in liquidation) have not been provided to the Company by the liquidators of such subsidiaries. In view of this, latest financial Statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the year ended March 31, 2022.

Financials Statements / financial results / financial information of rest of the Singapore subsidiaries/step down subsidiaries have not been made available to the Company. In view of this, financial Statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the year ended March 31, 2022.

Financial Statements / financial results / financial information of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the year ended March 31, 2022 have not been provided to the Parent Company and hence the latest unaudited financial Statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022."

3.27 The Company has not been able to obtain any confirmations from debtors, loans and advances from banks and others, current accounts from banks, trade and other payables. Accordingly, adjustments if any arising out of reconciliation with these parties is not readily available. The Company has carried out its internal assessment and accordingly provided/ written off/ back certain receivables/ payables/ loans and advances, wherever necessary. Further, the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts as on March 31, 2022 are under reconciliation with the available regulatory records and any impact of the same is not known as on the date of Financial Statements.

3.28 All of the directors on the Board of Directors of the Company are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.

3.29 In case of a material step≈down subsidiary of the Company, PT Karya Putra Borneo (KPB) ≈ Operating Coal mines in Indonesia, a minority shareholder had raised a frivolous claim with respect to the entire /shareholding of the said subsidiary Company. The subsidiary has received favourable orders from the relevant Courts in this matter and the formalities for restoring the shareholding in the public records is in process. This step≈down subsidiary is held through MIPL, which has been substantially impaired in the books of accounts.

3.30 The Company has an insurance claim amounting to Rs. 542.80 million, being the balance amount payable against a total loss claim (Rs. 2252.90 million) on a vessel pertaining to the year 2012≈13, which has been considered fully recoverable by the management and is supported by a legal opinion. The litigation is up for final hearing at National Commission, New Delhi and the matter was last listed for final hearing on March 21, 2022 but the matter was not heard on that date and is posted for hearing on 21-9-2022.

3.31 During the financial year ended March 31, 2020, financial lender of a one of step down foreign subsidiary has invoked Letter of Comfort (LOC) amounting to Rs. 2446.10 million (USD 352.00 million) issued to local lender by the Company, which has resulted in a claim of debt of such amount with interest on the Company as on March 31, 2020. A part of such loan, amounting to Rs. 1744.70 million, has been recovered by the lender on May 9, 2019 from the sales proceeds of sale of vessel "Nerissa" in the step down subsidiary and balance amount has been recognised as a loan by the Company.

3.32 One of the NBFC lender had invoked 2,55,00,000 No. of shares of promoters on July 2, 2020. The Company had consequently adjusted in its books the outstanding due in part amounting to Rs. 39.50 million.

3.33 One's Forte Co. Ltd of Japan had filed a suit for arrest of Vedika Prem in Gujarat on October 6, 2016 for its claim of Rs. 4.0 million being claim for necessities supplied to vessel and outstanding under invoices. The Company had settled the claim for outstanding invoices and issued Demand draft no. 501907 dated October 10, 2016 for Rs. 4.10 million. Having come to notice that One's Forte Co. Ltd. had filed caveat against release, the Company has submitted another DD for Rs. 9.20 million in favour of plaintiff for settlement of caveat amount. For the balance amount of Rs.5.10 million the Company had disputed its liability to pay such amount to the plaintiff as these were Mercator Lines Singapore (MLS) dues but in order to ensure release and sail of vessel, the Company deposited Rs. 5.10 million by way of Demand Draft in favour of "Registrar High Court of Gujarat" pursuant to which Vedika Prem was released by order dated October 10, 2016. One's Forte Co. Ltd.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

had filed new suit for recovery of disputed amount Rs.5.10 million being the suit no.41 of 2016. The Company had also filed written statement on April 18, 2018. Thereafter, the parties had agreed to settle the matter for USD 30,000 (i.e. Rs. 2.10 million) to be paid out of security amount to Ones Forte and remaining amount was to be returned to the Company. Accordingly, the Settlement Agreement was signed on January 9, 2020 by the Company but One Forte Co. Ltd. backed out of signing the said Settlement Agreement.

Subsequently, the Company has also received Debt Forgiveness Notice on December 28, 2020 from One's Forte Co. Ltd. Now, the Company is in the process of making an application to the Gujarat High Court for release of security deposit amount of Rs. 5.10 million plus accrued interest thereon. The Company had passed a circular resolution on February 2, 2021 for the signing of an application to be made to Gujarat High Court for release of security deposit amount of Rs. 5.10 million with respect to Admiralty Suit No. 41 of 2016 filed against the Company by One's Forte Co. Ltd. Vide order dated 2-2-2022, Court has ordered release of the said deposit of Rs. 5.10 million along with interest due thereon. Accordingly the company received the said security deposit and duly adjusted the same in the books of accounts.

3.34 During the previous year ended March 31, 2020, the subsidiary companies namely Mercator Oil and Gas Limited (MOGL) and Mercator Petroleum Limited (MPL) had approached the Company for seeking waiver in charging interest on loan and debenture outstanding in respective companies on account of contingencies in case of arbitration claim of ONGC and delayed realisation and completion of sale of oil blocks respectively. Based on approval by the Board of Directors of the Company and subsequent approval of members of the Company accorded in its annual general meeting held on December 29, 2020, under Section 186 and other applicable provisions of the Companies Act, 2013 and all other applicable laws and regulations, the modification/variation in the terms of loans has been as under:

(i) The repayment of loans to MOGL and MPL along with accrued interest thereon, have an extended bullet repayment due date of on or before June 30, 2022. All other terms and conditions of the loans remain unchanged;

(ii) The accrued interest on 6% Optionally Convertible Debentures issued by MPL in various tranches have an extended bullet repayment due date of on or before June 30, 2022. All other terms and conditions of the 6% Optionally Convertible Debentures including due date of redemption remain unchanged;

(iii) The Board and shareholders have approved that the defaults by MOGL and MPL in repayment of loans along with accrued interest thereon and default by MPL in payment of accrued interest on 6% Optionally Convertible Debentures as on March 31, 2020 and thereafter should not been considered and recognized as an event of default (EOD) and communication with respect to recognition of EOD, if any, made in the past in this regard is waived.

The Company continues to maintain its claim of interest and hence has accounted for interest from its subsidiaries amounting to Rs. 123.32 million for the year ended March 31, 2022 and consequently impaired amounting to Rs. 94.67 million for the year ended March 31, 2022, net of reversal, based on the assessment of the financial position of the subsidiaries.

3.35 The Company Secretary of the Company had resigned dated July 23, 2019 and until date of reporting, the said vacancy is yet to be filled.

3.36 The outbreak of Coronavirus (COVID≈19) pandemic disrupted the Operations of the Company since end March, 2020. The Government of India ordered a nationwide lockdown to prevent community spread of COVID≈19 in India resulting in significant reduction in economic activities. The Company had adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with maintaining social distancing, sanitization of wo spaces etc. The extent and duration of COVID≈19 is currently unknown and depends on future developments that are uncertain. Any resultant outcome and impact on business, due to this is unpredictable. In assessing the recoverability of Company's assets such as Investment, Loans and other receivables, the management has used internal and external source of information up to the date of approval of these financial results. Given the uncertainties, the impact of COVID≈19 may be different from that estimated as at the date of approval of these financial results, and the Company will continue to closely monitor the developments.

3.37 The Company had entered into settlement agreements with approval of NCLT with few operational creditors amounting to Rs. 39.40 million which were to settled to the tune of Rs. 15.70 million. However, the balance commitment is yet to be discharged by the Company.

3.38 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 Rs.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

Nil.(Previous Year Rs. Nil)

3.39 During the previous year ended March 31, 2021, the Company had received letter from the National Stock Exchange of India Limited ("NSE") citing non – compliance of the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires that the Board of Directors shall comprise of not less than six directors. The Company had then made submission to NSE stating that there were 5 directors on the Board of Company including a woman director. It was also informed that the strength of independent directors is more than the executive directors and the Company was making best efforts to be compliant of the regulation.

Mr. Sukhdarshan Singh Bedi, tendered his resignation vide email dated June 28, 2021 as Independent Director of the Company with effect from June 28, 2021 citing personal reasons.

Mr. Shalabh Mittal tendered his resignation vide email dated June 21, 2021 as Chief Executive Officer and Key Managerial Personnel of the Company with effect from June 21, 2021 citing personal reasons.

The said resignations of Mr. Sukhdarshan Singh Bedi, Independent Director and Mr. Shalabh Mittal, Chief Executive Officer and Key Managerial Personnel of the Company had been considered and taken on record at the meeting of the Board of Directors held on August 12, 2021.

3.40 Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements except otherwise stated in above notes wherever applicable depends on its ability to determine material financial impact and appropriateness.

3.41 Non-Current Tax Assets as on March 31, 2022 amount to Rs.559.75 million includes Rs. 691.90 million which has not been settled due to on-going tax assessment for various Assessment Years i.e. AY 2003-04 and from AY 2007-08 to AY 2015-16 against which net tax demand of Rs. 867.50 million has been received and contested by the Company. The management is taking steps to resolve the cases with the income tax department.

3.42 During the year ended March 31, 2019, Credit Analysis & Research Limited (CARE) had downgraded the rating assigned to the Company for short term credit facilities from CARE A4 to CARE D, which was again revised on July 11, 2019 from CARE D to CARE D (ISSUER NOT COOPERATING).\

3.43 The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette on 29th September, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.

3.44 Other Statutory Information

i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Notes forming part of the standalone financial statements

for the year ended March 31, 2022

v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

vii) The Company has not been declared wilful defaulter by any bank or financials institution or lender during the year.

viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

ix) The Company does not have any transactions with companies which are struck off.

x) No quarterly returns or statement of current assets has been filed by the company with the bank and Financial institution

xi) The company is under CIRP, hence the company has not used any new borrowings from banks or Financial Institutions during the financial year.

xii) The Company has not entered into any scheme of arrangements in terms of section 230 to 237 (Corporate Restructuring) of the Companies Act, 2013 during the current financial year.

xiii) The Company has not given any loan or advances to any director or any firm or private company in which directors is partner or director.

3.45 Financial Ratios

Sr. No.	Particulars	Unit	Applicability	As at March 31, 2022	As at March 31, 2021	% Increase/ Decrease
(a)	Current Ratio	%		0.19	0.20	-2.40%
(b)	Debt - Equity Ratio	%		(0.98)	(0.98)	0.53%
(c)	Debt Service Coverage Ratio	%		0.01	0.02	-70.86%
(d)	Return on Equity	%	NA in previous year, as there is a loss in the company	0.00	NA	-
(e)	Inventory Turnover Ratio	%	NA, the company does not have inventory	NA	NA	-
(f)	Trade Receivables Turnover Ratio	%	NA, in the current year, as there is no operating revenue during the year	NA	0.16	-
(g)	Trade Payables Turnover Ratio	%		0.08	0.05	44.56%
(h)	Net Capital Turnover Ratio	%	NA in current year as there are no sales during the year		NA	(0.62)-
(i)	Net Profit Ratio	%	NA, as in current year, there is no revenue from operation and in previous year there is no profit in the company	NA	NA	-
(j)	Return on Capital Employed	%	NA, as there is no operating profit in the company	NA	NA	-
(k)	Return on investment	%		0.01	(0.53)	-102.00%

Notes forming part of the standalone financial statements
for the year ended March 31, 2022

Explaination of the items included in numerator and denominator for computing the above ratios:

Current Ratio	[Current Assets/ Current Liabilities excluding Current Maturities of Long term borrowings]
Debt - Equity Ratio	[(Borrowings + Lease Liabilities)/ Total Equity]
Debt Service Coverage Ratio	[(Profit before Depreciation, Amortization, Impairment Loss on Non-Current Assets, Finance Cost and Tax)/ (Finance Cost (net of capitalization) + Scheduled Principal Repayment (Excluding Prepayment))]
Return on Equity	Net profit (before exceptional items)/ Average net worth (share capital + reserves)
Inventory Turnover Ratio	[Revenue from Operations/ Average inventory]
Trade Receivables Turnover Ratio	[Revenue from Operations/ Average Trade Receivable]
Trade Payables Turnover Ratio	[Net Credit Purchases/ Average Trade Payables]
Net Capital Turnover Ratio	[Net Sales/ Working Capital]
Net Profit Ratio	[Profit after tax from Continuing and Discontinued Operations/ Revenue from Operations]
Return on Capital Employed	[Operating profit, before special items and net of tax outflow/ Average capital employed]
Return on investment	[Earnings before interest and tax/ Total assets]

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

Shweta Singhal
Partner
Membership No : 414420
Place: Mumbai
Date: May 28, 2022

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Mangesh M. Deokar Bhosale
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: May 28, 2022

Independent Auditor's Report

To The Members of Mercator Limited

Report on the Audit of Consolidated Financial Statements

Adverse Opinion

1. We have audited the accompanying Consolidated Financial Statements of Mercator Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31 2022, the Consolidated Statement of Profit and Loss, [including Other Comprehensive Loss], the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter(s) described in the 'Basis for Adverse Opinion' section of our report, the accompanying Consolidated Financial Statements do not give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2022, of consolidated loss [including other comprehensive loss], its consolidated cash flows and the consolidated changes in equity for the year then ended.

   The Hon'ble National Company Law Tribunal, Mumbai (NCLT) has admitted the petition of Financial Creditor under Insolvency and Bankruptcy Code (IBC) 2016 (hereinafter referred to as the "Code") vide its Order dated February 8, 2021 against the Holding Company. As per Section 17 of the IBC, the powers of the Board of Directors of the Holding Company have been suspended and such powers have been vested with Mr. Girish Siriram Juneja as the Resolution Professional (hereinafter referred as "RP"), by the NCLT vide its aforesaid order to manage the affairs of the Holding Company as per the provisions of IBC. The Committee of Creditors (CoC) confirmed Mr. Juneja as the Resolution Professional (RP) at its meeting held on March 10, 2021.

Basis for Adverse Opinion

3. We draw attention to –

a. Note No. 3.08 of the Consolidated Financial Statements, regarding preparation of the financial statement on a going concern basis. The financing arrangements for the group have expired and the substantial amounts have been recalled and are due and payable as on March 31, 2022. Besides the NCLT has admitted the petition of the Financial Creditors vide its Order dated February 8, 2021 and proceedings under the IBC have been initiated on the Holding company. Further, certain cases have been filed by operational creditors and financial creditors in National Company Law Tribunal (NCLT) against certain material subsidiaries of which NCLT has admitted the application vide order dated August 31, 2020 and June 30, 2021 and an Interim Resolution Professional ("IRP") has been appointed on such subsidiaries. Also, we have been informed by the management / RP that a liquidator has been appointed for one material direct subsidiary effective April 9, 2021. The Group has been unable to conclude re-negotiations or obtain replacement financing for repayment of its overdue financing arrangements. The Group has accumulated losses and has incurred significant losses during the current period and previous financial year(s). The Group also has substantial disputed receivables, which are not readily realizable and the Group's net worth has also been fully eroded alongwith inability to meet its current liabilities which substantially exceeds its current assets. Further, the Resolution Plans which were submitted before the CoC for their consideration and voting, have failed to receive the requisite votes in terms of the provisions of the Code and accordingly, an application for liquidation has been filed in terms of section 33 of the Code, which is pending adjudication by the NCLT. As the Company is unable to meet it current liability and erosion of net worth and liquidation application filed by the RP, we conclude that the going concern assumption has been vitiated.

b. Note No 3.14 of the Consolidated Financial Statements, regarding the balances restated in the books of accounts pursuant to admission of the claims submitted by the financial creditors of the Holding Company, of which as on March 31, 2022. As confirmed by RP, no claim is pending for verification with Resolution Professional (RP). We have relied on the adjustments made by the RP wrt the claims received and are unable to comment on the adjustment, if any, arising on any pending claim or claim not received on the Consolidated Financial Statements of the Company.

c. Note No. 3.15 of the Consolidated Financial Statements, regarding non-compliance of Regulation 33(3)(h) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherein at least 80% of each consolidated revenue, assets and profit / loss respectively, shall be reviewed by the respective auditors.

   The Financial Statement of none of the subsidiaries have been audited as at and for the year ended March 31, 2022 and hence, we are unable to express any opinion on the subsidiary financial statements and thereby on the consolidated financial statements / financial information given the materiality of the subsidiaries. Status of financial information considered in preparing Consolidated Financial Statements is as under –

Sr. No.	Name of the Subsidiary Company	Financial Statement / Financial Information available for the period ended	Status of Audited Financial Statements / Management certified Financial Statements
1	Mercator Oil and Gas Limited (MOGL)	December'2021	Not Available
2	Mercator Petroleum Limited (MPL)	March'2021	Not Available
3	Oorja Resources India Private Limited.	June'2021	Not Available
4	Mercator Offshore Logistic Private Limited. (Formerly Mercator Dredging Private Limited)	June'2021	Not Available
5	Mercator Oceantransport Limited	June'2021	Not Available
6	Mercator International Pte. Limited	March'2021	Not Available
7	Offshore Holdings Company Pte. Limited	March'2021	Not Available
8	Oorja Holdings Pte. Limited.	September'2021	Not Available
9	Mercator Energy Pte Limited	June'2020	Under Liquidation
10	Mercator Offshore Assets Holding Pte Limited	June'2020	Under Liquidation
11	Mercator Offshore (P) Pte Limited	June'2020	Under Liquidation
12	Panther Resources Pte Limited	September'2021	Not Available
13	Oorja (Batua) Pte. Limited	September'2021	Not Available
14	Oorja 1 Pte. Limited	September'2021	Not Available
15	Oorja Mozambique Lda	March'2020	Not Available
16	MCS Holdings Pte. Ltd.	March'2021	Not Available
17	PT Karya Putra Borneo	March'2021	Not Available
18	PT Indo Perkasa	March'2021	Not Available
19	Oorja Indo Petangis Four	December'2020	Not Available
20	Oorja Indo Petangis Three	December'2020	Not Available
21	Bima Gema Permata, PT	December'2020	Not Available
22	Oorja Indo KGS	December'2020	Not Available
23	Broadtec Mozambique Minas Lda	March'2020	Not Available

Further, due to non – availability of the relevant financial information from the subsidiaries, certain reporting done in the statement of cash flow and Segment Results may not reflect the correct position.

d. Note No 2.26 of the Consolidated Financial Statements, regarding interest or any other charges not being accrued in the books of accounts of the Holding Company from the date of commencement of CIR process, i.e. February 8, 2021 onwards.

e. Note No. 2.2(c) of the Consolidated Financial Statements, regarding the Group's investment carried at Fair Value through Profit and Loss Account pertaining to its coal mining and related infrastructure assets in Indonesia on which reduction in fair value of Rs. 245.60 million was recognized during the year ended March 31, 2021 basis an independent valuation report conducted on December 31, 2020. Further, we have been informed by the management / RP that a liquidator has been appointed on Mercator International Pte. Ltd. ("MIL") effective April 9, 2021 and no financial statements / financial results / financial information of MIL has been made available to the Parent Company.

For certain step-down subsidiaries, limited financial information has been shared for inclusion in preparation of the consolidated financial results but proper details and bifurcations are not available to ensure eliminations.

However, the management / RP of the Holding Company are confident that ML still maintains the control on MIL and the subsidiaries (held indirectly), as listed in Annexure A, as defined in Ind – AS 110 "Consolidated Financial Statements", and is being considered in preparation of the Consolidated Financial Results of the Parent Company basis the information available, as enlisted in para 3(c) above.

In view of the non – availability about the updates on the above stated and other significant matters and financials statement / financial information, we are unable to comment on the impact on the fair valuation of these financial assets and consequently the financial results, had the valuation been done as on March 31, 2022. We are unable to comment on the impact of the liquidation of the intermediate subsidiary and the compliance of Ind – AS 110.

f. Note No. 3.06 of the Consolidated Financial Statements, regarding unprovided current tax demands under dispute, pertaining to Holding Company, to the tune of Rs. 867.50 million pending at various judicial forums of the Income Tax department. In the absence of the required supporting documents justifying the stand of the Holding Company we are unable to comment on final outcome of such contested statutory demands and the potential financial impact of the same.

g. Note No. 3.11 of the Consolidated Financial Statements–

- regarding termination of Sagar Samrat Conversion Project (SSCP), undertaken by a subsidiary Mercator Oil & Gas Ltd. (hereinafter referred as "MOGL" or "subsidiary"), by ONGC, which is currently under arbitration. The amount standing under Other Financial Assets is Rs. 2,046.10 million basis the latest financial information available. The amount of recoverability and ultimate impairment would depend on the outcome of the arbitration proceedings, which is uncertain as on the date of financial results.

- regarding one of the consortium partners in SSCP ('GPC') has filed a claim against MOGL in Abu Dhabi First Instance Court wherein the Court after review sought for work undertaken and change of assessment base, ordered MOGL to pay USD 5.7 million (equivalent Rs. 423.50 million) and interest @ 5% p.a. from the date of the case filed until actual payment. However, as informed by the management / RP of the Parent Company, MOGL had not accepted the claim and had recognized Rs. 229.70 million as contingent liability on the subject matter. Further, the petition filed in NCLT, Mumbai Bench by an operational creditor against MOGL has been admitted vide Order dated June 30, 2021 and an IRP has been appointed. However, the management / RP of the Parent Company are confident that ML still maintains the control on MOGL, as defined in Ind – AS 110 "Consolidated Financial Statements", and is being considered in preparation of the Consolidated Financial results of the Parent Company.

- The financial statements / financial information of MOGL included in preparation of Consolidated Financial Statements as on March 31, 2022, pertains to the period ended on December 31, 2021, which has been incorporated basis the latest information available with the management / RP of the Holding Company. Further these are not certified by the management / IRP of the MOGL.

  In view of the non – availability of the financials statement / financial information and updates on other matters as stated above, we are unable to comment on the potential financial impact of the same on the Consolidated Financial Results and compliance of Ind – AS 110.

h. Note No. 3.12(a) of the Consolidated Financial Statements, regarding notice received by a subsidiary company, Mercator Petroleum Limited (hereinafter referred to as "MPL"), from the Ministry of Petroleum and Natural Gas (MOPNG) for termination of Production Sharing Contract (PSC) for one of its non-operative oil Block and has demanded costs and other dues to be determined as per the terms and conditions of PSC. In case MPL's stand is not accepted by MOPNG, the estimated financial impact on the group would be to the tune of Rs. 358 million.

   Note No. 3.12(b) & 3.12(c) of the Consolidated Financial Statements, regarding the fact that, as per the explanations provided to us by the management / RP of the Holding Company, MPL has not been able to provide any valuation report with respect to fair value of oil block CB-9 on which reliance can be placed. Further, we have been informed by the management / RP that the petition filed in NCLT, Mumbai Bench by an operational creditor against MPL has been admitted vide Order dated August 31, 2020 and an Interim Resolution Professional (IRP) has been appointed and no financial statement / financial results / financial information of MPL is being made available to the Parent Company.

   However, the management / RP of the Holding Company are confident that ML still maintains the control on MPL, as defined in Ind – AS 110 "Consolidated Financial Statements", and is being considered in preparation of the Consolidated Financial results of the Parent Company.

   Further, the financial statements / financial information of MPL included in preparation of Consolidated Financial Statements as on March 31, 2022, pertains to the year ended March 31, 2021, which has been incorporated basis the latest information available with the management / RP of the Holding Company. Further these are not certified by the management / IRP of the MPL.

   In view of the non – availability of the financials statement / financial information and updates on other matters as stated above, we are unable to comment on the potential financial impact of the same on the Consolidated Financial Results and compliance of Ind – AS 110.

i. Note No. 3.16 of the Consolidated Financial Statements, the Holding Company has failed to pay the installment due of the debentures on the due date and failed to pay the interest due thereon for a continuous period of more than a year. Hence, all the directors of the Holding Company are disqualified from being appointed as director in terms of Section 164 (2) of the Act.

j. Note No. 3.17 of the Consolidated Financial Statements, regarding balance confirmations not been received in respect of various secured / unsecured loans, trade receivables, trade and other payables, and loans and advances for several entities of the group as a result of which reconciliation process and consequential adjustments, if any, has not been carried out in these entities. Further, in the view of the management / RP, all the balances outstanding to be receivable are to be considered as good and no additional provisioning on account of non – recoverability or expected credit loss is required. Further, bank statements of certain bank accounts are also not available. In the view of the non – availability of balance confirmation or documents substantiating balances, we are unable to comment on the impact of the same on the Consolidated Financial Statements of the Company and compliance of relevant Ind-AS. Further, the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts of Holding Company as on March 31, 2022 are under reconciliation with the available regulatory records and any impact of the same is not known as on the date of Financial Statements.

k. Note No. 3.18 of the Consolidated Financial Statements, regarding non – compliance of Section 134 and 149 of the Companies Act 2013 in case of certain material subsidiaries.

l. Note no. 3.03(c) and footnote of the Statement of Consolidated Cash Flow of the Consolidated Financial Statements, regarding non – availability of requisite information for preparation of segment reporting, Statement of Cash Flow and assumptions considered for eliminations.

m. Note No. 3.46 of the Consolidated Financial Statements, wherein the Holding Company has failed to obtain and provide relevant details supporting these disclosures. Hence, we are unable to comment on the completeness and the accuracy of the information stated.

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

Emphasis of Matter

4. We draw attention to –

a. Note No. 3.10 of the Consolidated Financial Statements, regarding receivable from an insurance Company amounting to Rs. 542.80 million pertaining to total loss claim on a vessel pertaining to the year 2012-13, which is under litigation and has been considered fully recoverable by the management / RP and is supported by a legal opinion.

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

Key Audit Matters

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

Key Audit Matters of Holding Company

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1	Provisions recognized and contingencies disclosed with regard to certain legal and tax matters The Holding Company is involved in several ongoing litigations including direct and indirect tax litigations. The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management / RP to make judgement and estimates in relation to the issues of each matter. The Holding Company recognizes a provision when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: 1. We assessed the value of the provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondences with the authorities. 2. We have reviewed and held discussions with the management / RP to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1	estimate can be made of the amount of the obligation. The management / RP has estimated the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability, in the absence of any opinion or advise of experts. We have identified litigations, provisions and contingencies as a key audit matter because it requires the management / RP to make judgements and estimates in relation to the exposure arising out of litigations. The key judgement lies in the estimation of provisions where they may differ from the future obligations.	3. We have also discussed with the management / RP significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. 4. We have assessed the appropriateness of provisioning based on assumptions made by the management / RP and presentation of the significant contingent liabilities in the financial statements. We have assessed the appropriateness of assumptions considered by the management / RP and above-mentioned audit procedures conducted by us and elaborated our findings in the "Basis for Adverse Opinion". We have also reviewed whether appropriate disclosures are made in the Consolidated Financial Statements.

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

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

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

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

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

Responsibilities of the Management / RP for the Consolidated Financial Statements

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

7. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the group and RP are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern concept and using the going concern basis of accounting unless management / RP either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

   The respective Board of Directors / RP/ IRP/ Liquidator of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

8. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement,

whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

   - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of an internal control.

   - Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in those circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors and RP.

   - Conclude on the appropriateness of management, Board of Directors and RP use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusions are elaborated in the 'Basis for Adverse Opinion' section of our report, and are based on the audit evidence obtained up to the date of our auditor's report.

   - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

   - Obtain sufficient appropriate audit evidence regarding the financial statements / information of the entities within the Group to express an opinion on the Consolidated Financial Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Consolidated Financial Statement of which we are the independent auditors. For the other entities included in the Consolidated Financial Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

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

   We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

10. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so we would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

11. The accompanying Consolidated Financial Statements includes the unaudited financial results/statements and other financial information of 4 foreign subsidiaries and 1 domestic subsidiary, which has been certified by the management but not audited, whose financial statements/financial information available with the Holding company for the quarter/period ended September 30, 2021 and December 31, 2021, whose financial statements reflect total assets of Rs. 5,652.60 million as at March 31, 2022, total revenues of Rs. 19.90

million, total net loss after tax (including from discontinued operations) of Rs. (221.40) million, total comprehensive loss of Rs. (221.40) million for the year ended on that date respectively, and net cash outflows of Rs. 6.90 million for the year ended March 31, 2022, as considered in the consolidated financial Statements which have been audited by their respective auditors. The above reported amounts are without considering eliminations.

These unaudited financial statements/ financial information/ financial results have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such management certified financial statements/ financial information/financial results. These financial statements / financial information / financial results have neither been audited nor certified by the management of respective company.

12. The accompanying Consolidated Financial Statements includes unaudited financial results /statements and other unaudited financial information in respect of 14 foreign subsidiaries and 4 domestic subsidiaries whose financial statements have been incorporated based on financial statement / financial information available with the Holding company for the year ended March 31, 2021 and reflects total assets of Rs. 7,238.40 million (without considering eliminations) as at March 31, 2022 and total revenue of Rs. Nil, total net profit after tax of Rs. Nil and total comprehensive income of Rs. Nil in the consolidated statement of profit and loss for the year ended March 31, 2022 respectively and net cash outflow of Rs. Nil for the year ended March 31, 2022. These financial statements / financial information / financial results have neither been audited nor certified by the management of respective company.

Our opinion to be read with para 3, is modified in respect of the above matters stated in para 11 and 12.

Report on Other Legal and Regulatory Requirements

13. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of subsidiaries referred to in the Other Matters section above, we report, to the extent applicable, that:

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

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

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

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

    (e) The matters described in the Basis for Adverse Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

    (f) We have not received any written representations for any of the directors as on March 31, 2022 in terms of Section 164 (2) of the Act. However, considering the fact, that the Holding Company has defaulted in repayment of Non – Convertible Debentures, in earlier years, in our opinion, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.

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

    (h) With respect to the adequacy of the internal financial controls of the Holding Company and its Subsidiaries incorporated in India with reference to these Consolidated Financial Statements and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure A" to this report; which expresses an adverse opinion on the adequacy of and operating effectiveness of such controls with reference to financial statements for the reasons stated therein.

    (i) In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company has not paid or provided for any managerial remuneration for the year under audit.

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements, refer Note 3.06 to the Consolidated Financial Statements;

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies incorporated in India.

iv. To be read with Para 3(m) of the report,

(a) The Management / RP has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its Subsidiary Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 3.46 to Consolidated Financial Statements);

(b) The Management / RP has represented that no funds have been received by the Holding Company or its Subsidiary Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 3.46 to Consolidated Financial Statements); and

(c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, to be read with Para (iv) above; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared / paid any dividend during the year and hence clause related to compliance with Section 123 of the Act is not applicable.

14. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, we have not received the financial statement of the subsidiaries to be included in the consolidated financial statements, to be read with Para 11 and 12 of the Audit Report to which reporting under CARO is applicable, thus we are unable to report any qualifications or adverse remarks with respect to these reports. Tabulated below is summary of qualified clauses in the CARO report of the Holding Company:

Sr. No.	Name	CIN	Holding Company/ subsidiary/ Associate/ Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Mercator Limited	L63090MH1983PLC031418	Holding Company	3(i), 3(ii), 3(iii), 3(vii), 3(viii), 3(ix), 3(xiv), 3(xvii) and 3(xix)

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

Shweta Singhal
Partner
Membership Number: 414420

Place: Mumbai
Date: May 28, 2022
UDIN No: 22414420AJUPJT4934

Annexure - A to the Independent Auditor's Report

(Referred in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

ADVERSE OPINION

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to the Consolidated Financial Statements of the Mercator Limited (hereinafter referred as "Holding Company") and its Subsidiary Companies incorporated in India (together referred to as 'Group'), as of that date.

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Holding Company's internal financial control with reference to Consolidated Financials Statement as at March 31, 2022:

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

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

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

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

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

d) We are unable to comment on the effectiveness of the internal controls of the subsidiary companies, as we haven't received auditor's report of such subsidiaries incorporate in India.

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

In our opinion, because of the effects of the material weaknesses described above, the Group has not maintained, adequate and effective internal financial controls with reference to Consolidated Financials Statement as of March 31, 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

We have considered the material weaknesses identified and reported above in determining the nature timing and extent of audit tests applied in our audit of March 31, 2022 Consolidated Financial Statements of the Holding Company, and these material weaknesses do not affect our opinion on the Consolidated Financial Statements of the Holding Company.

Management's / RP's Responsibility For Internal Financial Controls

The respective Board of Directors and RP of the Holding Company and its subsidiary companies, incorporated in India, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to the financial statements is applicable, are responsible for establishing and maintaining internal financial controls based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

Meaning Of Internal Financial Controls with reference to financial statements

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

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

(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 are being made only in accordance with authorizations of management / RP and directors; and

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management / RP override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Shweta Singhal
Partner
Membership Number: 414420

Place of Signature: Mumbai
Date: May 28, 2022
UDIN No: 22414420AJUPJT4934

Consolidated Balance Sheet

as at March 31, 2022

₹ in Million

	Particulars	Note	As at March 31, 2022	As at March 31, 2021
A	ASSETS			
1	**Non- Current Assets**			
	(a) Property, Plant and Equipment	2.1	1,966.23	2,836.39
	(b) Capital Work-in-Progress		33.51	27.46
	(c) Other Intangible Assets	2.1	0.27	0.29
	(d) Deferred Tax Asset		202.05	14.59
	(e) Financial assets			
	(i) Investments	2.2	0.00	-
	(ii) Loans	2.3	20.99	20.32
	(ii) Other Financial Assets	2.4	2,046.36	2,046.36
	(f) Other Non Current Assets	2.5	167.16	167.74
	(g) Income Tax Assets (net)		567.80	556.37
	Total Non-Current Assets		**5,004.37**	**5,669.52**
2	**Current Assets**			
	(a) Inventories	2.6	104.96	89.21
	(b) Financial Assets			
	(i) Investment	2.2	632.43	610.43
	(ii) Trade Receivables	2.7	1,013.11	1,367.08
	(iii) Cash and Cash Equivalents	2.8(i)	285.71	268.08
	(iv) Bank Balances other than (iii) above	2.8(ii)	21.45	52.24
	(v) Loans	2.9	178.72	245.71
	(vi) Other Financial Assets	2.10	642.76	641.64
	(c) Other Current Assets	2.11	696.62	723.53
	(d) Non Current Assets classified as Held for Sale	2.1 (ii),(v) & 3.12	2,520.00	2,520.00
	Total Current Assets		**6,095.76**	**6,517.92**
	TOTAL ASSETS		**11,100.13**	**12,187.44**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share Capital	2.12	302.46	302.46
	(b) Other Equity	2.13	(14,384.14)	(13,992.97)
	Equity attributable to Owners		**(14,081.68)**	**(13,690.51)**
	Non Controlling Interest		732.76	1,166.27
			(13,348.92)	**(12,524.24)**
2	**Non - Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	2.14	-	-
	(ii) Other Financial Liablities	2.15	151.79	169.27
	(b) Provisions	2.16	64.59	54.28
	(c) Deferred Tax Liabilities (Net)		-	-
	Total non-current liabilities		**216.38**	**223.55**
3	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	2.17	6,852.01	6,747.48
	(ii) Trade Payables	2.18		
	- total outstanding dues of micro enterprises and small enterprises		3.79	3.54
	- total outstanding dues of creditors other than micro enterprises and small enterprises		1,425.21	1,481.29
	(iii) Other Financial Liablities	2.19	15,242.90	15,322.30
	(b) Other Current Liabilities	2.20	706.90	931.66
	(c) Provisions	2.21	1.86	1.86
	Total Current Liabilities		**24,232.67**	**24,488.13**
	Total Liabilities		**24,449.05**	**24,711.68**
	TOTAL EQUITY AND LIABILITIES		**11,100.13**	**12,187.44**
	Basis of Preparation and Significant Accounting Policies	1		
	The accompanying notes are an integral part of the consolidated financial statements	2.1 to 3.49		

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

Shweta Singhal
Partner
Membership No : 414420
Place: Mumbai
Date: May 28, 2022

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Mangesh M. Deokar Bhosale
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: May 28, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

₹ in Million

	Particulars	Note	Year Ended March 31, 2022	Year Ended March 31, 2021
	INCOME			
	(a) Revenue from Operations	2.22	-	3,737.83
	(b) Other Income	2.23	3.93	387.98
1	**Total Income**		**3.93**	**4,125.81**
	EXPENSES:			
	(a) Operating Expenses	2.24	-	2,897.31
	(b) Employee Benefit Expenses	2.25	4.78	228.91
	(c) Finance Costs	2.26	132.65	2,907.89
	(d) Depreciation and Amortisation expenses	2.01	0.97	394.47
	(e) Impairment of Assets	2.27	(48.09)	266.34
	(f) Loss on Sale / Discard of Assets	2.28	-	22.59
	(g) Other Expenses	2.29	120.26	449.26
2	**Total Expenses**		**210.57**	**7,166.77**
3	**Profit/(loss) before exceptional items and tax (1 - 2)**		**(206.64)**	**(3,040.96)**
4	Less: Exceptional items	3.18	-	-
5	**Profit/(loss) before tax from Continuing Operations (3-4)**		**(206.64)**	**(3,040.96)**
6	**Tax expense:**			
	(a) Current tax	2.30	-	(62.29)
	(b) Deferred Tax	2.30	-	-
	(C) Excess/(Short) provision of earlier years	2.30	11.25	(93.51)
7	**Profit /(Loss) for the period from Continuing Operations (5 - 6)**		**(195.39)**	**(3,196.76)**
8	**Discontinued Operation**			
	Profit/(loss) before tax from discontinued Operation		-	-
	Tax (expenses) / benefit of discontnued operation		-	-
9	**Profit/(loss) after tax from Discontinued Operation**		**-**	**-**
10	**Profit/(loss) after tax (7 + 9)**		**(195.39)**	**(3,196.76)**
11	**Other comprehensive income for the year (net of tax)**			
	Items that will not be reclassified to Profit or Loss,			
	(a) Remeasurements of net defined benefit plans		-	-
	(b) Other comprehensive income/(loss) arising from discontinued operations		-	-
12	**Total Comprehensive Income / (Loss) for the year (10 + 11)**		**(195.39)**	**(3,196.76)**
13	**Profit /(Loss) attributable to :**			
	Owners		(195.39)	(3,321.78)
	Non-Controlling Interest		-	125.02
			(195.39)	**(3,196.76)**
14	**Other Comprehensive Income attributable to:**			
	Owners		-	-
	Non-Controlling Interest		-	-
			(195.39)	**(3,196.76)**
15	**Total Comprehensive Income / (Loss) attributable to the owner of the Company**			
	Owners		(195.39)	(3,321.78)
	Non-Controlling Interest		-	125.02
			(195.39)	**(3,196.76)**
16	**Total Comprehensive Income / (Loss) attributable to the owner of the Company**			
	Continuing Operation		(195.39)	(3,196.76)
	Discontinued Operation		-	-
			(195.39)	**(3,196.76)**
17	**Earnings per share (Equity share of Re. 1/- Each) for profit / (loss) from continuing operation attributable to Owners of the Company**			
	Basic (In Rupees)	3.1	(0.65)	(10.98)
	Diluted (In Rupees)		(0.65)	(10.98)
18	**Earnings per share (Equity share of Re. 1/- Each) for profit / (loss) from discontinued operation attributable to Owners of the Company**			
	Basic (In Rupees)	3.1	-	-
	Diluted (In Rupees)		-	-
19	**Earnings per share (Equity share of Re. 1/- Each) for profit / (loss) from continuing and discontinued operations attributable to Owners of the Company**			
	Basic (In Rupees)	3.1	(0.65)	(10.98)
	Diluted (In Rupees)		(0.65)	(10.98)
	Basis of Preparation & Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements	2.1 to 3.49		

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

Shweta Singhal
Partner
Membership No : 414420
Place: Mumbai
Date: May 28, 2022

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Mangesh M. Deokar Bhosale
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: May 28, 2022

Consolidated Statement of Cash Flow

for the year ended March 31, 2022

₹ in Million

	Particulars	Note	Year Ended March 31, 2022	Year Ended March 31, 2021
A	**Cash Flow from Operating Activities**			
	Net Profit / (Loss) Before Tax - continuing business		(206.64)	(3,040.96)
	Adjustment for:			
	Depreciation & Amortisation		0.97	394.50
	Impairment of Assets - continuing operation		(48.09)	266.34
	Finance Costs		132.65	2,907.90
	(Profit)/Loss on fixed assets sold / discarded (net)		-	22.60
	Other income on account of accrual written back		-	(101.50)
	Recycled through other equity		(273.07)	213.30
	Interest income		(3.93)	(2.90)
	Bad Debts and other amounts written off/(back)		-	(50.00)
	Unrealised (gain) / loss on Fair Value of Investment		-	(0.90)
	Unrealised foreign exchange (gain) / loss (Net)		(12.02)	(208.95)
	Operating profit before working capital changes		**(410.13)**	**399.43**
	Adjustment for:			
	Decrease/(Increase) in Other Financial and Current Assets		(0.08)	225.13
	Decrease/(Increase) in Inventories		(15.75)	5.60
	Decrease/(Increase) in Trade Receivables		353.80	(361.60)
	Decrease/(Increase) in Current Financial Assets - Loans		66.99	(121.85)
	Decrease/(Increase) in Current Other Financial Assets		(1.11)	-
	Decrease/(Increase) in Other current assets		26.92	(0.60)
	(Decrease)/Increase in Other Financials and Current Liabilities		(343.35)	405.58
	(Decrease)/Increase in Provisions		10.31	10.20
	(Decrease)/Increase in Trade Payables		(55.83)	(294.51)
	Net Cash from Operating Activities		**(368.23)**	**267.38**
	Direct taxes paid (Net of refund)		(11.43)	80.84
	Net Cash from Operating Activities		**(379.66)**	**348.22**
B	**Cash Flow from Investing Activities**			
	(Increase) / Decrease in Capital advances/Capital creditors		-	(19.59)
	Proceeds from Sale of Fixed Assets		863.20	69.28
	(Purchase) / Sale of Investments		(22.00)	2.66
	Bank deposits (Placed) / redeemed with banks (Net)		30.47	(45.40)
	Interest Income		3.93	2.80
	Net Cash from Investing Activities		**875.60**	**9.75**
C	**Cash Flow from Financing Activities**			
	Proceeds from Borrowings		104.65	77.08
	Repayment of Borrowings		-	(44.26)
	Changes in the Non-Controlling Interest		(433.51)	-
	Interest paid		(149.43)	(437.59)
	Net Cash from Financing Activities		**(478.29)**	**(404.77)**
	Net Increase / (decrease) in cash and cash equivalents (A + B + C)		**17.65**	**(46.80)**
	Cash and Cash Equivalents as at beginning of the year		268.08	314.89
	Cash and Cash Equivalents as at end of the year		**285.73**	**268.09**
	Cash and Cash Equivalents consist of the following:			
	Cash on Hand		27.90	3.96
	Balances with Bank		114.05	153.20
	Fixed Deposits with Bank		143.76	110.92
	Total		**285.73**	**268.08**

Consolidated Statement of Cash Flow (Contd..)

for the year ended March 31, 2022

Notes to the Cash Flow Statement

1) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 , 'Statement of Cash Flows'
2) Due to non-availability of relevant information from the subsidiaries, cash flow disclosures have been prepared based on limited facts available and may not depict correct facts for certain reporting done for the year ended March 31, 2022 & March 31, 2021.
3) Cash and cash equivalents include Unclaimed Dividend accounts of INR Nil (Previous Year INR Nil) which are not available for use by the Group.
4) The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.
5) Reconciliation of changes in liabilities arising from financing activities including both changes arising from cash flows and non cash changes as per the requirement of Ind AS 7 :

₹ in Million

PARTICULARS	As at April 1, 2021	Cash Flows (Net)	Non - Cash Changes			As at March 31, 2022
			Foreign Exchange Movement	Other non cash movements/ Reclassification	Amortized Cost (including premium on redemption of NCD)	
Non Convertible Debenture (NCD)	1,475.73	-	-	-	-	1,475.73
Rupee Term loan from Bank	-	-	-	-	-	
Foreign currency term loan from Bank	6,414.54	(0.00)	38.81	-	-	6,453.35
External Commercial Borrowing	451.40	0.00	-	-	-	451.40
Foreign Currency Convertible Bonds (FCCB)	1,165.80	-	-	-	-	1,165.80
Rupee Term loan from Financial Institution	189.69	(0.00)	-	-	-	189.69
Rupee Term loan from others	188.71	0.00	-	-	-	188.71
Working Capital Loan	4,183.68	(0.00)	55.99	0.95	-	4,240.62
Rupee Short Term loan form Banks	2,200.40	0.00	-	47.60	-	2,248.00
Total	**16,269.95**	**(0.01)**	**94.80**	**48.55**	**-**	**16,413.31**

₹ in Million

PARTICULARS	As at April 1, 2020	Cash Flows (Net)	Non - Cash Changes			As at March 31, 2021
			Foreign Exchange Movement	Other non cash movements/ Reclassification	Amortized Cost (including premium on redemption of NCD)	
Non Convertible Debenture (NCD)	1,397.21	0.00	-	-	78.52	1,475.73
Foreign currency term loan from Bank	6,367.00	80.12	(75.08)	42.50	-	6,414.54
External Commercial Borrowing	467.04	(0.00)	(15.43)	(0.20)	-	451.40
Foreign Currency Convertible Bonds (FCCB)	1,206.20	0.00	(39.83)	(0.57)	-	1,165.80
Rupee Term loan from Financial Institution	271.70	(9.91)	-	(72.10)	-	189.69
Rupee Term loan from others	154.18	0.00	-	34.53	-	188.71
Working Capital Loan	4,084.20	20.30	-	79.18	-	4,183.68
Rupee Short Term loan form Banks	2,200.40	-	-	-	-	2,200.40
Total	**16,147.92**	**90.51**	**(130.34)**	**83.34**	**78.52**	**16,269.95**

The Statement of Cash Flow for the year ended March 31, 2022 may have information which may not be accurate on account of non-availability of certain financial statement / financial results / financial information of the subsidiaries.

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

Shweta Singhal
Partner
Membership No : 414420
Place: Mumbai
Date: May 28, 2022

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Mangesh M. Deokar Bhosale
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: May 28, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

EQUITY SHARE CAPITAL

(a) Equity Shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Share	Rs. in Million	No of Share	Rs. in Million
Balance at the beginning of Reporting Period	30,24,59,335	302.46	30,24,59,335	302.46
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Add: Changes in Equity Share Capital during the year	-	-	-	-
Balance at the end of Reporting Period	30,24,59,335	302.46	30,24,59,335	302.46

(b) Other Equity

₹ in Million

	Deemed Equity	Reserves and Surplus									Total equity	Non Controlling Interest	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	General Reserve	Tonnage Tax Reserve	Exchange differences on translating thefinancial statements of foreign operations	Other Comprehensive Income			
Balance at March 31, 2020	**3.58**	**428.95**	**400.00**	**5,907.57**	**250.00**	**(19,401.04)**	**1,676.33**	**-**	**(164.90)**	**15.01**	**(10,884.49)**	**1,041.26**	**(9,843.23)**
Profit/ (Loss) for the year	-	-	-	-	-	(3,321.78)	-	-	-	-	(3,321.78)	125.02	(3,196.76)
Adjustment for the year	-	-	-	-	-	-	-	-	-	-	-		-
Other Comprehensive Income recycled through Statement of Profit and Loss											-		-
Increase / (decrease) during the year	-	-	-	-	-	-	-	-	213.30		213.30	(0.01)	213.29
Transfer from General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2021	**3.58**	**428.95**	**400.00**	**5,907.57**	**250.00**	**(22,722.82)**	**1,676.33**	**-**	**48.40**	**15.01**	**(13,992.97)**	**1,166.27**	**(12,826.70)**
Profit/ (Loss) for the year						(195.39)					(195.39)	-	(195.39)
Adjustment for the year											-		-
Other Comprehensive Income recycled through Statement of Profit and Loss											-		
Increase / (decrease) during the year						-			(195.78)		(195.78)	(433.51)	(629.29)
Dividends											-		
Transfer from General Reserve											-		
Balance at March 31, 2022	**3.58**	**428.95**	**400.00**	**5,907.57**	**250.00**	**(22,918.21)**	**1,676.33**	**-**	**(147.38)**	**15.01**	**(14,384.14)**	**732.76**	**(13,651.38)**

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

Shweta Singhal
Partner
Membership No : 414420
Place: Mumbai
Date: May 28, 2022

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Mangesh M. Deokar Bhosale
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: May 28, 2022

Notes to the Consolidated financial statements

for the year ended March 31, 2022

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2022

CORPORATE INFORMATION

Mercator Limited (the "Company") is a public limited Company registered in India under the provisions of the Companies Act, 2013. Its shares are listed on the Bombay Stock Exchange and the National Stock Exchange of India. In addition to that, Foreign Currency Convertible Bonds (FCCB) of the Company are listed on debt segment of Singapore Stock Exchange (SGX). The Company and its subsidiaries constitute the Group. The Group has diversified business verticals viz. Shipping (tankers, gas carriers and dry bulkers), Dredging, Oil and Gas, Coal (Mining, Procurement and Logistics).

A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code,2016 ('Code'). Pursuant to the order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who had been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC). As per requirements of the 'Code' and 'CIRP Regulations', the Resolution Professional had invited expression of Interest (EoI) from prospective Resolution Applicants (PRAs) to submit the Resolution Plan for the Company. The first round of Invitation of EoI was published on April 24, 2021 and the timelines to submit EoI were extended as approved by Committee of Creditors (CoC). Last date to submit EOI as per second round of Invitation of EoI (published on May 18, 2021) was on June 2, 2021 and the Resolution Professional had declared the final list of Resolution Applicants on July 7, 2021. The last date for submission of resolution plan was August 31, 2021, which was thereafter extended to September 6, 2021 basis the request received from the PRAs. The application seeking exclusion of the time period of 88 days i.e. from April 4, 2021 to June 30, 2021 from the overall CIRP period (due to the second wave of Pandemic and various restrictions imposed by Government of Maharashtra) was heard and allowed by the NCLT on August 9, 2021. The CIRP period was extended to November 3, 2021. Further, since certain Resolutions Plans were in hand which had to be put before CoC for voting, an application seeking extension of the CIRP time period by 90 days was heard and allowed by NCLT on November 11, 2021 whereby the CIRP period was extended up to February 1, 2022.

The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors (CoC) for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the Code. Accordingly, an application for liquidation of the Corporate Debtor has been filed in terms of section 33 of the Code, which is pending adjudication by the Adjudicating Authority.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for Preparation:

The consolidated financial statements of Mercator Limited ("the Group") have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'IND-AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting generally accepted in India.

Items included in the IND AS financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's IND AS financial statements are presented in Indian Rupee (INR), which is also the Group's functional and presentation currency. All amounts in these IND AS financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in Million.

The financial statements of the subsidiary companies used in the preparation of the Consolidated IND AS Financial Statements have been drawn up to the same reporting date as that of Mercator Limited, i.e., March 31, 2022 except for subsidiary companies as stated in note 3.15 of the consolidated financial statements for which consolidated financial statements have been prepared based on latest details available with the Parent company management.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

Authorization of Financial Statements:

The consolidated financial statements of Mercator Limited (hereinafter referred as "the Group/the Company") for the year ended March 31, 2022 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors chaired by the Resolution Professional (RP) held on May 28, 2022. The said consolidated financial statements of the Company

Notes to the Consolidated financial statements

for the year ended March 31, 2022

have been prepared by the management of the Company and certified by the Director and Chief Financial Officer of the Company. The RP has relied upon the assistance provided by the members of the Audit Committee in review of the consolidated financial statements and certifications, representations and statements made by Director of the Company in relation to these financial statements.

As authorized, Director and Chief Financial Officer of the Company have signed the consolidated financial statements and the RP has taken on record the said statement of financial statements only to the limited extent of discharging the powers of the Board of Directors of the Company which has been conferred upon him in terms of provisions of Section 17 of the Code.

The functional currency of the Company and its Indian Subsidiaries is Indian Rupees ("INR") whereas the functional currency of foreign subsidiaries is USD ($), Mozambican Meticals. The Group's Consolidated IND AS financial statements are presented in Indian Rupee (INR), which is also the Holding Company's functional and presentation currency. All amounts in these financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in Million.

1.2 Historical cost convention:

The IND AS financial statements has been prepared on a historical cost basis, except for the following:

1. Certain financial assets and liabilities including derivative instruments are measured at fair value.
2. Assets held for sale- measured at fair value less costs to sell
3. Defined benefit plans- plan assets measured at Fair value.

1.3 Use of estimates:

The preparation of the IND AS financial statements in conformity with the recognition and measurement principles of the IND AS that requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at date of financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the IND AS financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialized. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Critical estimates and judgements

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements

The major areas involving critical estimates or judgement are:

- Estimation of Defined benefit obligation – refer note 3.02
- Estimation of current tax expenses and Payable – refer note 3.32 & 3.33
- Scrap Value and Useful lives of property, plant and equipment –refer note 1.7
- Impairment of non-financial assets – refer note 1.10
- Impairment of Investments, Loans and Advances and Current Assets.
- Provisions for litigations, insurance claim receivables and claim of underperformance by client.
- Preparation of Financial Statements on Going Concern Basis

Estimation of uncertainties relating to the global health pandemic from Covid-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based

Notes to the Consolidated financial statements
for the year ended March 31, 2022

on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.4 Current versus non-current classification:

The Group 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 Group's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

Based on the nature of activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group 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 Company has control. The Company controls an entity when the Company 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

Sr. No	Name of the Subsidiary Company	Country of Incorporation	% of holding either directly or through subsidiary as at March 31, 2022	% of holding either directly or through subsidiary as at March 31, 2021
1	Mercator Oil and Gas Limited	India	100.00%	100.00%
2	Mercator Petroleum Limited	India	94.13%	94.13%
3	Oorja Resources India Private Limited	India	100.00%	100.00%
4	Mercator Offshore Logistic Private Limited (formerly Mercator Dredging Private Limited).	India	100.00%	100.00%
5	Mercator Ocean transport Limited	India	100.00%	100.00%
6	Mercator International Pte. Ltd	Singapore	100.00%	100.00%
7	Offshore Holding Company Pte Ltd	Singapore	100.00%	100.00%
8	Oorja Holdings Pte. Ltd	Singapore	100.00%	100.00%
9	Mercator Energy Pte Ltd @@	Singapore	75.00%	75.00%
10	Mercator Offshore Assets Holding Pte Ltd @@	Singapore	75.00%	75.00%
11	Mercator Offshore (P) Pte Ltd @@	Singapore	76.25%	76.25%
12	Panther Resources Pte Ltd	Singapore	100.00%	100.00%
13	Oorja (Batua) Pte. Ltd	Singapore	100.00%	100.00%
14	Oorja 1 Pte. Ltd	Singapore	100.00%	100.00%
15	Oorja Mozambique Minas Limitada	Mozambique	100.00%	100.00%
16	MCS Holdings Pte. Ltd	Singapore	100.00%	100.00%
17	PT Karya Putra Borneo *	Indonesia	45.00%	45.00%
18	PT Indo Perkasa *	Indonesia	22.95%	22.95%
19	PT Oorja Indo Petangis Four	Indonesia	100.00%	100.00%
20	PT Oorja Indo Petangis Three	Indonesia	100.00%	100.00%
21	Broadtec Mozambique Minas Limiteda	Mozambique	85.00%	85.00%

* Consolidated based on criteria of control over management and operations.

These entities had filed voluntary liquidation with Accounting and Corporate Regulatory Authority Singapore and liquidator had been appointed for the same.

Refer note 3.15 for detailed audit and accounting status of the Subsidiary Companies

Notes to the Consolidated financial statements

for the year ended March 31, 2022

The Consolidated IND AS financial statements have been prepared on the following basis:

1. The Financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together book values of similar items of assets, liabilities, income, expenses, equity and cash flows of the parent with those of its subsidiaries. The intra-company balances and transactions including unrealized gain/loss from such transactions are eliminated upon Consolidation.

2. Consolidated IND AS financial statements are prepared by applying uniform accounting policies to the extent possible, in use at the group.

3. Non-Controlling Interests (NCI) represents part of the net profit or loss and net assets of the subsidiaries that are not, directly or indirectly owned or controlled by the company are excluded.

1.6 Foreign Currencies:

(ii) Functional and presentation currency

The functional currency of the Company and its Indian Subsidiaries is Indian Rupees ("INR") whereas the functional currency of foreign subsidiaries is USD ($), 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 Million.

(iii) Transaction and balances

Transactions in foreign currency are recorded at functional currency using the exchange rate at the date of accounting of the transaction. Non monetary items, which are measured in terms of historical costs denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the year-end are translated at closing rates. The difference in translation of long term monetary assets acquired and liabilities incurred prior to April 1, 2016 and realized gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset; and in other cases, accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term asset / liability, by recognition as income or expense. The difference in translation of all other monetary assets and liabilities and realized gains and losses on other foreign currency transactions are recognized in the Statement of Profit and Loss. They are deferred in Other Equity, if they relate to qualifying cash flow hedges. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income or profit or loss are also recognized in Other Comprehensive Income or profit or loss, respectively). Exchange differences relating to Long term foreign currency monetary items incurred prior to April 1, 2016 are accounted in terms of para D13AA of Ind- AS 101 as under:

(i) In so far as they relate to the acquisition of a depreciable capital asset, such differences are added to/deducted from the cost of such capital asset and depreciated over the balance useful life of the asset

(ii) In other cases, such differences are accumulated in "Foreign currency Monetary Items Translation differences account" and amortized in the statement of Profit and loss over the balance useful life of the long-term foreign currency monetary item.

(iv) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognized as Foreign Currency Translation Reserve (FCTR).

Notes to the Consolidated financial statements

for the year ended March 31, 2022

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

1.7 Property, Plant, and Equipment and Depreciation:

Free hold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

The cost of Property, Plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure including brokerage and start-up costs on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, company depreciates them separately based on their specific useful lives.

When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Capital work-in-progress

Cost of assets not ready for intended use as on the balance sheet date, is shown as Capital work-in-progress.

Capital work-in-progress and Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Drydocks are considered as component of fleet with estimated useful lives different than the main component of fleet. Cost relating to drydock which is mandatorily required to be carried out as per the Classification Rules and Regulations is recognized in the carrying amount of ship and is amortized over 2.5 years

The Company reviews the carrying value of property, plant and equipment annually or more frequently when there is indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

On transition to IND AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and equipment.

Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on the Written Down value (WDV) method, except in case of Vessels, where depreciation is provided on Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except, the following cases where useful life is considered as under based on technical evaluation:

A) Vessels

i) Tankers, Dry Bulk carriers, Cutters, Dredgers (except for two dredgers considered as 42 years 60 years, 25 years and 30 years)

ii) Gas Carriers

B) Coal Crusher is depreciated on Unit of Production Basis considering estimated production of 30,000,000 MT

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Residual value in case of vessels is estimated based on the closing rate for steel / metal rate published on London Metal Exchange (LME).

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

1.8 Intangible Assets and Amortization:

Intangible assets are stated at acquisition cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over the estimated useful lives.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

Computer Software

Software meeting the recognition criteria are recognized as Intangible assets and amortized from the period the asset is available for use.

Costs associated with maintaining the software are recognized as expense as and when they are incurred.

1.9 Non-current assets (or disposal groups) held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Company) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal Company) and its sale is highly probable.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, Plant and Equipment classified as held for sale are not depreciated.

1.10 Impairment of non-financial assets:

Non-financial assets other than inventories and non-current assets held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is higher of asset's or Cash-Generating Units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss, if any, is recognized in the statement of profit and loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

1.11 Investment Property:

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

Investment Property is property (land or a building- or a part of a building) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over 30 years from the date of original purchase.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

1.12 Assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

Property, plant and equipment classified as held for sale are not depreciated.

1.13 Exploration and evaluation expenditure:

Exploration Asset - Exploration activity involves the search for mineral resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource. Exploration expenditure are capitalised in respect of each area of interest for which the rights to tenure are current and where:

Notes to the Consolidated financial statements

for the year ended March 31, 2022

- 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 recognized for the asset in previous years.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable and where a decision is made to proceed with development, the exploration asset attributable to that area of interest are first tested for impairment and then reclassified to mining property within property, plant and equipment.

1.14 Inventories:

Bunker and Lubes on vessels are valued at lower of cost and net realizable value ascertained on first in first out basis. The cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Inventory of coal is valued at the lower of cost and net realizable value. Cost is determined based on the weighted average cost incurred during the period and includes an appropriate portion of fixed and variable overheads. Net realizable value is the estimated sales amount in the ordinary course of business less the costs of completion and selling expense.

1.15 Oil and Gas Assets:

The Company follows IND AS 106 “Exploration for and Evaluation of Mineral Resources” and Guidance Note on Accounting for Oil and Gas Producing Activities (2016) both issued by the Institute of Chartered Accountants of India (ICAI).

Acquisition costs such as costs incurred to purchase, lease or otherwise acquire a property or mineral right proved or unproved are capitalised. Any pre-acquisition costs are expensed as and when incurred.

All costs which are directly attributable to the exploration and evaluation activities of Oil and Gas are capitalised. General and Administration costs including finance costs are included in the Exploration and Evaluation costs only to the extent that those costs can be directly attributable to the related exploration and evaluation assets. In all other cases, these costs are expensed as incurred.

The Company classifies the acquisition costs, exploration and evaluation assets as tangible assets or intangible assets according to nature of assets acquired.

Once the technical feasibility of extracting Oil and Gas is determinable, exploration and evaluation assets are classified as Development Properties. Exploration and Evaluation assets is assessed for impairment and impairment loss if any, is recognized, before such reclassification. Subsequent development costs are capitalised as and when incurred.

When a well is ready to commence commercial production, the capitalised costs referred above (including costs allocated to dry well) are reclassified as "completed wells or producing wells" from intangible assets under development to gross block of intangible assets.

When all wells identified in the block do not result in discovery of proved oil and gas resources, the capitalized costs as referred to above are charged as an expense.

Expenditure incurred on exploratory blocks which are written off in past and start producing subsequently are not reinstated.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation assets may exceed its recoverable amount. Impairment test is performed in accordance with the procedures given below for impairment of non-financial assets. Impairment loss, if any is recognized as an expense.

The company allocates exploration and evaluation assets to cash generating units or a group of cash generating units for the purpose of assessing such assets for impairment.

The company is currently in the Exploratory Stage and accordingly all expenditures incurred for the said activities are transferred to Capital Work in Progress.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

1.16 Mining Properties:

When mines are capable of operating in the manner intended by the management, exploration and evaluation assets are transferred to mining properties. Amortization is charged using the units of production method.

Proven and probable reserves are estimates of the amount of output that can be economically and legally exploited from the Company's mining properties. In order to estimate mineral reserves, assumptions are required about a range of geological, technical and economic factors, including quantities, production techniques, stripping ratio, production costs, transportation costs, commodity demand, commodity prices and exchange rates. Estimating the quantity and/or mineral content of mineral reserves requires the size, shape and depth of mineral bodies or fields to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgments to interpret the data. Because the economic assumptions used to estimate reserves change from period to period and because additional geological data is generated during the course of operations, estimates of reserves may change from period to period. Changes in the reported reserves may affect the Company's financial results and financial position in a number of ways, including the following:

a. Assets carrying values may be affected due to changes in the estimated future cash flows.

b. Depreciation, depletion and amortization charged to consolidated profit or loss may change where such charges are determined on the units of production basis, or where the useful economic lives of assets change.

c. Decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.

d. The carrying value of deferred tax assets/liabilities may change due to changes in estimates of the likely recovery of the tax benefits.

The Company's accounting policy for the recognition of mine closure and rehabilitation provisions requires significant estimates and assumptions, such as requirements of the relevant legal and regulatory framework, the magnitude of possible land disturbance and the timing, extent and costs of required closure and rehabilitation activity. These uncertainties may result in future actual expenditure that differs from the amounts currently provided. The provision recognized for each site is periodically reviewed and updated based on the facts and circumstances available at that time.

1.17 Exploration and Evaluation Assets:

Exploration and evaluation activity involves the search for mineral resources, determination of the technical feasibility and assessment of the commercial viability of the mineral resource.

Exploration and evaluation expenditures comprise of costs that are directly attributable to:

- acquisition of rights to explore;
- topographical, geological, geochemical and geophysical studies;
- exploratory drilling;
- trenching and sampling; and
- Activities involved in evaluating the technical feasibility and commercial viability of extracting mineral resources.

Exploration and evaluation assets related to an area of interest is written-off as incurred, unless they are capitalised and carried forward, on an area of interest basis, provided one of the following conditions is met:

(i) The costs are expected to be recovered through successful development andexploitation of the area of interest or, alternatively, by its sale; or

(ii) Exploration activities in interest have not yet reached the stage 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.

1.18 Cash and Cash equivalents:

For the purpose of presentation in statement of cash flows, cash and cash equivalents includes cash in hand and at bank in current and foreign currency accounts,

Notes to the Consolidated financial statements

for the year ended March 31, 2022

deposit held at call with financial institution, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Fixed deposit having residual maturity up to twelve months from the reporting period is considered as part of bank balances other than cash and cash equivalent. Fixed deposit with residual maturity more than twelve months from reporting period is classified under other non-current assets. Bank Overdrafts are shown within borrowings in current liabilities in Balance sheet.

1.19 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit /(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

1.20 Leases:

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Group also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Group is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly. The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received. The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any. The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1.21 Borrowings:

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognized in Profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

The fair value of the liability portion of an optionally convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortized cost basis until extinguished on conversion or redemption of the Bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument, this is recognized and included in shareholders equity, net of income tax effect, and not subsequently re measured.

The borrowings are removed from the Balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any noncash asset transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability of at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the

Notes to the Consolidated financial statements

for the year ended March 31, 2022

lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

1.22 Borrowing costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use for sale. All other borrowing costs are expensed in the period in which they occur.

1.23 Employee Benefits:

a) Short – term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognized at actual amounts due in the period in which the employee renders the related service.

b) Post – employment benefits

i. Defined Contribution Plans

Payments made to defined contribution plans such as Provident Fund are charged as an expense as they accrue.

ii. Defined Benefit Plans

The cost of providing benefit i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuation carried out as at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the other comprehensive income. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet

c) Other Long – term employee benefits

Other Long – term employee benefit viz. leave encashment is recognized as an expense in the Statement of Profit and Loss as it accrues. The company determines the liability using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. The actuarial gains and losses in respect of such benefit are charged to the other comprehensive income.

1.24 Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market that can be accessed by the company for the asset or liability.

  The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

  All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.25 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair

Notes to the Consolidated financial statements

for the year ended March 31, 2022

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 recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortized cost, fair value through Other Comprehensive Income or fair value through profit and loss.

Debt instruments at amortized cost

Debt instruments such as trade and other receivables, security deposits and loans given are measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the 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 OCI. There is no recycling of the amounts from OCI to PandL, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

De- recognition

A financial asset is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on

Notes to the Consolidated financial statements

for the year ended March 31, 2022

equity instruments measured at FVOCI that are recognized and accumulated in OCI are not reclassified to profit or loss on de-recognition

Impairment of financial assets

The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets measured at fair value through other comprehensive income.

In case of other assets (listed as a) above), the company determines if there has been a significant increase in credit risk of the financial asset since initial recognition.

B) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost

Financial liabilities classified and measured at amortized such as loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortized cost using the Effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

C) Financial guarantee obligation

The Group's investments include the effect of notional income from financial guarantee obligations.

D) Derivative financial instruments

Initial recognition and subsequent measurement

The company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks.

Such derivative financial instrument is initially recognized at fair value on the date on which derivative contract is entered into and is subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken through other comprehensive income.

E) Foreign currency convertible bonds (FCCBs)

FCCBs are separated into liability and equity components based on the terms of the contract. On issuance of the FCCBs, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognized and included in equity since conversion

Notes to the Consolidated financial statements

for the year ended March 31, 2022

option meets IND AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the FCCBs based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

1.26 Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

Contingent assets are not recognized but disclosed when the inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

1.27 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.28 Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group recognises revenue when the specific criteria have been met for each of the Company's activities as described below:

a) Freight Income

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

b) Voyage Charter

Revenue from voyage charters is recognized as income, by reference to the voyage progress on load-to-discharge basis, which has been assessed by management to be an appropriate measure of progress towards complete satisfaction of the

Notes to the Consolidated financial statements

for the year ended March 31, 2022

performance obligations over time under IND-AS 115. Judgement is involved in estimating days to reach the load port and discharge port destinations impacting the calculation of income to be accrued for incomplete voyage.

c) Cargo Handling

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

d) Charter Hire Income

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

e) Dividend Income

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

f) Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate.

g) Insurance Claims

Claims including insurance claims are accounted when there is a reasonable certainty of the realisability of the claim amount.

h) Vessel Demurrage income due as per contractual terms is recognized. A provision on estimated basis is made towards deduction from demurrage based on past experience of settlements.

i) Revenue from Sale of Coal

Revenue from coal mining and trading is recognized on transfer of risk, reward and ownership of the goods, and is recorded net of returns, trade allowance, and government duties.

j) Income from Construction Contracts

In case of a subsidiary, revenue from long-term construction contracts is recognized at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

k) Income from other services is accounted on accrual basis as per the terms of the relevant agreement.

1.29 Tax on Income:

Tax expenses comprise both current and deferred tax

(a) Current tax

Current tax is the amount of tax payable as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Company and tax payable on other taxable income for the year determined in accordance with section 115VG (3) of chapter XII-G of the Income Tax Act, 1961.

In respect of subsidiary companies, provision for taxation is made as per the applicable local laws of the respective countries

(b) Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

(c) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

1.30 Operating Expenses

a) Fleet direct operating expenses are charged to the Statement of Profit and Loss on accrual basis.

b) Bunker consumption cost, which is part of direct operating expenses, is charged to the Statement of Profit and Loss on consumption.

c) Stores and spares delivered on board the ships are charged to the Statement of Profit and Loss.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

d) Revenue from jetty operations are recognized as and when the services are rendered. Expenses are recognized when they are incurred.

1.31 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from 1st April, 2021. The amendments in Division II (applicable to the Company) of Schedule III, primarily relate to:

Balance Sheet:

a) Lease liabilities to be separately disclosed under the head 'financial liabilities', duly distinguished AS current or non-current.

b) Certain additional disclosures in the Statement of Changes in Equity such as changes in Equity due to prior period errors and restated balances at the beginning of the current reporting period.

c) Specified format for disclosure of shareholding of promoters.

d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development. Completion schedule for capital work-in-progress and intangible asset under development

e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

g) The amendment requires to disclose the following ratios in Financial Statements;

Current ratio, Debt-Equity ratio, Debt service coverage ratio, Return on equity ratio, Inventory turnover ratio, Trade receivables turnover ratio, Trade payables turnover ratio, Net capital turnover ratio, Net profit ratio, Return on Capital employed and Return on investment.

Statement of profit and loss:

a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Amended applicable from next financial year

Ministry of Corporate Affairs ("MCA") has notified new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS16–Property Plant and equipment - The amendment clarifies that excess of net sale proceed of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS37 – Provisions, Contingent Liabilities and Contingent Assets –The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). Onerous Contracts (Cost of Fulfilling a Contract) - An entity shall apply those amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The entity shall not restate comparative information. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The effective date for adoption of this amendment is annual periods beginning on or after April 1,2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

2.1 Property, Plant and Equipment

₹ in Million

PARTICULARS	Gross Carrying Amount					Depreciation /Amortisation						Net Carrying Amount	
	As at April 1, 2021	Translation / Adjustment	Addition	Disposal/ Adjustments	As at March 31, 2022	As at April 1, 2021	Translation Adjustment	Depreciation during the year	Impairment	Disposal/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Land	1,316.85	43.36	-	(16.65)	1,343.56	365.06	148.92	-		-	513.98	829.58	951.79
Vessels ^	545.86	-	-	(91.80)	454.06	475.56	-	-		(21.50)	454.06	0.00	70.30
Furniture & Fittings	78.12	2.15	16.45	-	96.72	55.76	2.11	-		(6.07)	51.80	44.92	22.36
Vehicles	58.93	2.23	-	(9.30)	51.86	45.77	1.88	-		(7.54)	40.11	11.75	13.16
Office Building	139.33	2.70	1.47	-	143.50	77.39	2.39	0.91		-	80.69	62.81	61.94
Computer Equipments	3.31	-	-	-	3.31	2.90	-	0.10		-	3.00	0.31	0.41
Mines	1,103.03	96.40	11.06	-	1,210.49	1,103.01	129.08	-	684.92	-	1,917.01	(706.52)	0.02
Mining Equipment	3,158.22	11.43	17.51		3,187.16	1,441.81	21.97	-		-	1,463.78	1,723.38	1,716.41
	6,403.65	**158.27**	**46.49**	**(117.75)**	**6,490.66**	**3,567.26**	**306.35**	**1.01**	**684.92**	**(35.11)**	**4,524.43**	**1,966.23**	**2,836.39**
Other Intangible Assets													
Computer Software	1.20	-	-		1.20	0.91	-	0.02	-		0.93	0.27	0.29
Total	**6,404.85**	**158.27**	**46.49**	**(117.75)**	**6,491.86**	**3,568.17**	**306.35**	**1.03**	**684.92**	**(35.11)**	**4,525.36**	**1,966.50**	**2,836.68**

₹ in Million

PARTICULARS	Gross Carrying Amount					Depreciation /Amortisation						Net Carrying Amount	
	As at April 1, 2021	Translation / Adjustment	Addition	Disposal/ Adjustments	As at March 31, 2021	As at April 1, 2020	Translation Adjustment	Depreciation during the year	Impairment	Disposal/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land	1,319.13	(48.58)	46.30	-	1,316.85	256.16	(17.33)	126.23	-	-	365.06	951.79	1,062.97
Vessels ^	1,271.48	-	-	(725.62)	545.86	1,113.36	-	-	-	(637.80)	475.56	70.30	158.12
Furniture & Fittings	79.23	(1.31)	0.20	-	78.12	55.12	(1.22)	1.86	-	-	55.76	22.36	24.11
Vehicles	69.56	(1.66)	6.66	(15.63)	58.93	53.21	(1.28)	7.61	0.03	(13.80)	45.77	13.16	16.36
Office Building	142.32	(2.99)	-	-	139.33	69.19	(1.32)	9.52	-	-	77.39	61.94	73.12
Computer Equipments	3.31	-	-	-	3.31	2.83	-	0.07	-	-	2.90	0.41	0.49
Mines	1,103.03	-	-	-	1,103.03	1,103.01	-	-	-	-	1,103.01	0.02	-
Mining Equipment	3,223.00	(89.98)	25.20	-	3,158.22	1,241.40	(48.83)	249.24	-		1,441.81	1,716.41	1,981.60
	7,211.06	**(144.52)**	**78.36**	**(741.25)**	**6,403.65**	**3,894.28**	**(69.98)**	**394.53**	**0.03**	**(651.60)**	**3,567.26**	**2,836.39**	**3,316.77**
Other Intangible Assets													
Computer Software	1.20	-	-		1.20	0.84	-	0.07	-		0.91	0.29	0.36
Total	**7,212.26**	**(144.52)**	**78.36**	**(741.25)**	**6,404.85**	**3,895.12**	**(69.98)**	**394.60**	**0.03**	**(651.60)**	**3,568.17**	**2,836.68**	**3,317.13**

Note:

i Vessels having Net book value of Rs Nil (PY Rs 70.30 million) has been charged / mortgaged to the lenders. All the vessels have been arrested by the operational creditors under Commercial Admiralty Suit and are not operational.

ii Prem Mala - During the financial year 2019-20, the vessel was arrested and sale proceedings were initiated by Hon'ble High Court of Bombay. The said vessel has been sold on May 26, 2020 through court auction initiated by a lender and the same has been handed over by the court appointed Sheriff to the buyer on July 13, 2020. The sale proceeds of Rs. 364.00 million as deposited by the buyer in court has been appropriated vide order dated May 5, 2021. On account of short provision for expenses which related to Prem Mala, further expenses towards port charges for Rs. 9.70 million were expensed out in financial year 2020 - 21. Balance lying in the said deposit account as on March 31, 2022 is Rs. 66.09 million (P.Y. Rs. 299.67 million) is reflected as "Other Advances".

iii Uma Prem - During the financial year 2019-20, the vessel was arrested and sold under court proceedings at Hon'ble High Court of Bombay. The Company has received the order of Hon'ble High Court of Bombay dated on September 15, 2020 , stating the appropriation of court deposit of Rs. 27.0 milliom towards payments to be made to the claimants including Rs. 17.20 million to one of the financial creditor who had a charge on the vessel.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

The Company had carried out the necessary accounting adjustment in this regard and the court deposit of Rs. 27.0 million stands fully appropriated as on March 31, 2021.

iv Vivek Prem - During the financial year 2019-20, the Company had entered into Bare Boat Charter and Demise (BBCD) agreement for the vessel where the Company could not complete condition for transfer of ownership at the end of the agreement and said dredger was arrested by one of operational creditors which resulted into discontinuation of agreement. The contracting party had called for an arbitration seeking demand of Rs. 65.00 million as compensation and had also taken injunction against invocation of bank guarantee of Rs. 25.0 million. The dredger was under charge to one of the financial creditor against the financial assistance to the company, whose petition was admitted by NCLT, Mumbai Bench pursuant to which Corporate Insolvency Resolution Process(CIRP) has commenced with effect from February 8, 2021.The Arbitration proceedings have not been initiated.

During the financial year 2020-21, the dredger was sold under court auction (order dated February 18,2021 of Gujarat High Court) amounting to Rs. 36.0 million. However, the appropriation of the proceeds shall follow in due course of time and balance sale proceeds of of Rs. 35.40 million (after paying Rs. 0.60 million towards expenses incurred for sale) is lying as deposit with the court. Basis the transaction, the vessel has been considered as sold by the Company, as management has no control over it, effective from the date of order and the amount receivable from Court has been classified as "Other Current Assets" as on March 31, 2022."

v Bhagwati Prem - During the financial year 2019-20, the dredger was beached at New Mangalore Port Trust (NMPT) and notice for auction dated January 30, 2020 was issued by NMPT authorities by exercising the powers vested with NMPT under Section 42 of the Indian Ports Act, 1908 to recover the Port Dues, Fees and other charges. During the financial year 2020-21, NMPT informed the Company that the dredger had been auctioned through MSTC Limited, Bangalore on September 30, 2020 vide MSTC Order No. MSTC/BLR/20-21/890 in terms of Section 14 and Section 42 of the Indian Ports Act, 1908 as per the directions given by Ministry of Shipping and that it had received an amount of Rs. 48.10 million from the sale of the said dredger and the available amount with Port after all the recoveries towards the expenses suffered in to risk imposed by the sunk dredger 'Tridevi Prem' and dredger 'Bhagwati Prem' is Rs. 16.70 million. The Company had accounted for the sum of Rs. 31.40 million towards Port Charges during the previous financial year 2020-21. The amount receivable from NMPT as at March 31, 2022 is Rs. 48.10 million (PY : Rs.48.10 million).

vi Further, there are only two non-operational dredgers (arrested by creditors) with the Company, which were fully impaired in financial year 2019-20 and are carried at realisable scrap value in the books of accounts. On account of this, no depreciation has been charged on Vessels in the year ended March 31, 2022 and March 31, 2021. The current status of the said dredgers are as under –

Name of Dredger	Location	Charged to	Status as at Year end March 31, 2021
Darshani Prem	At Kakinada Seaports Ltd, Kakinanda (Andhra Pradesh)	Charged to ICICI Bank Ltd	Darshini Prem was under arrest by a few operational creditors, crew and port authorities. Said dredger was sold under auction by the honourable Andhra Pradesh High Court during the current financial year resulting in reversal of impairment provision made in earlier financial years to the extent of Rs. 40.19 million. Appropriation of the sale proceeds will be done pursuant to the orders of the said honourable high court. Same is outstanding in the books of accounts and is reflected as "Other Advances".
Yukti Prem	At Cochin Port	Charged to FCCB Holders	Yukti Prem was under arrest by a few operational creditors, crew and port authorities. Said dredger has been sold under auction by the honourable Kerala High Court during the current financial year resulting in reversal of impairment provision made in earlier financial years to the extent of Rs. 7.90 million. Appropriation of the sale proceeds will be done pursuant to the orders of the said honourable high court. Same is outstanding in the books of accounts and is reflected as "Other Advances".

vii The office premise of the Company was charged to the lender of Mercator Petroleum Limited (MPL), one of the material subsidiary of the Company. On account of the possession notice received under Section 13 (4) of Securitization and Reconstruction of Financial Assets and read with Rule 8 of Enforcement of Security Interest (Second) Act, 2002, the symbolic possession of the office premises had been obtained by the said lender on September 9, 2020. The enforcement of security had been on account of default in repayment of debt by MPL.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

As on the reporting date, only symbolic possession has been obtained and the Company continues to operate from the premises, hence the same continue to be categorised as property, plant and equipment of the Company and accordingly the depreciation for the period has been charged to the Statement of Profit & Loss. Necessary adjustments, if any, in the books of accounts will be done once the actual control over the office premises will be passed to the Bank.

viii Impairment testing for fleets

The Company has assessed 'recoverable amount' of each fleet by estimating their "Net Realisable Value (NRV)", in terms of Ind-AS 36 "Impairment of Assets". NRV has been determined as Scrap value less estimated cost of arriving NRV / sale in ordinary course of business. Based on the aforementioned assessment, the Company has made a provision for impairment loss of Rs.Nil (PY Rs.Nil) during the year 2021-22 for its fleets. All the vessels and dredgers have already been impaired in earlier financial years.

ix During the year, there has been no change in any class of Property, Plant & Equipement due to revaluation.

x The group is required to give disclosures as per the amendments in Schedule III vide notification dated 24th March 2021 on ageing analysis of Capital work in progress. In absence of the information received from the subsidiaries (refer note no 3.15 on the consolidation status) , we are unable to give Capital work In progress ageing schedule for above carrying amount.

Notes to the Consolidated financial statements

for the year ended March 31, 2021

As on the reporting date, only symbolic possession has been obtained and the Company continues to operate from the premises, hence the same continue to be categorised as property, plant and equipment of the Company and accordingly the depreciation for the period has been charged to the Statement of Profit & Loss. Necessary adjustments, if any, in the books of accounts will be done once the actual control over the office premises will be passed to the Bank.

viii Impairment testing for fleets

The Company has assessed 'recoverable amount' of each fleet by estimating their "Net Realisable Value (NRV)", in terms of Ind-AS 36 "Impairment of Assets". NRV has been determined as Scrap value less estimated cost of arriving NRV / sale in ordinary course of business. Based on the aforementioned assessment, the Company has made a provision for impairment loss of Rs.Nil (PY Rs.Nil) during the year 2021-22 for its fleets. All the vessels and dredgers have already been impaired in earlier financial years.

ix During the year, there has been no change in any class of Property, Plant & Equipement due to revaluation.

x The group is required to give disclosures as per the amendments in Schedule III vide notification dated 24th March 2021 on ageing analysis of Capital work in progress. In absence of the information received from the subsidiaries (refer note no 3.15 on the consolidation status) , we are unable to give Capital work In progress ageing schedule for above carrying amount.

2.2 Investments

₹ in Million

PARTICULARS	Face Value per Unit	Numbers at		Amount - As at	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(a) Non Current Investments - At cost					
Investment in Equity Shares					
Marg Swarnabhoomi Port Private Limited	10	1250	1250	0.01	0.01
Less: Impairment	10			(0.01)	0.01)
				-	-
Aggregate amount of Unquoted investments				-	-
(b) Current Investments - At fair value					
Quoted					
Investment in Mutual Fund					
(Investment in Rights of Mining (FVTPL))				632.43	610.43
				632.43	**610.43**
Aggregate amount of Current investments				**632.43**	**610.43**

(c) Current investment at Fair Value through Profit & Loss (FVTPL) are investment in a closely held mutual fund which had invested in underlying unlisted coal mining companies. The step down Subsidiary Company had obtained valuation of coal mining and logistic company, taking cut off dated December 31, 2020 for the purpose of local reporting requirement, by an Independent Valuer which had been considered for the financial reporting as on March 31, 2021 as well. The Group had recognized impairment in fair value of such financial instrument amounting to Rs. 249.90 million (USD 3.40 Million) in earlier year. Such reduction was on account of sharp fall in coal prices, reduction in absolute realization of coal handling fees for one of major customer, cost of production and change in assumption of terminal value based on extension of mining license. The fair value as on March 31, 2022 can be substantially different in view of the valuation factors and no updates are available as on the reporting date.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

₹ in Million

	As at	
	March 31, 2022	March 31, 2021
2.3 Loans (Non-Current)		
(Unsecured, Considered Good, unless otherwise stated)		
Other deposits	20.99	20.32
	20.99	**20.32**
2.4 Other Financial Assets (Non-Current)		
(Unsecured, Considered Good, unless otherwise stated)		
Deposits with government and semi government bodies	0.26	0.26
Contract work in progress (Refer No 3.11)	2,046.10	2,046.10
	2,046.36	**2,046.36**
2.5 Other Non-Current Assets		
(Unsecured, Considered Good, unless otherwise stated)		
(a) Capital Advances		
Capital Advances to Others, considered good	0.16	0.16
	0.16	0.16
Capital Advances to Others, considered doubtful	312.33	431.76
Less Provision held	(312.33)	(431.76)
	-	**-**
(b) Advances Other than Capital Advances		
Deposits with government and semi government bodies	153.53	148.63
(c) Other Advances		
Deferred - Legal Permission Expenses	2.38	2.74
Advances Recoverable	0.02	0.02
	2.40	2.76
	156.09	**151.55**
Loans due to Directors or other officers of the company	-	-
Loans due to firm or private company in which directors is partner or director	-	-
	-	**-**
Security Deposits (Unsecured, Considered Good, unless otherwise stated)		
Security & Judicial deposits	11.07	16.19
	11.07	**16.19**
	167.16	**167.74**
2.6 Inventories		
(valued at lower of cost and net realisable value)		
Coal	37.35	31.53
Bunker and lubes	7.49	7.10
Stores	60.12	50.58
	104.96	**89.21**

Notes to the Consolidated financial statements

for the year ended March 31, 2022

₹ in Million

	As at March 31, 2022	As at March 31, 2021
2.7 Trade Receivables		
Unsecured, Considered Good	1,041.75	1,395.73
Expected credit loss on Trade Receivables	(28.64)	(28.65)
	1,013.11	**1,367.08**
Unsecured, Considered Doubtful		
Credit Impaired#	920.94	892.04
Allowance for bad and doubtful debts	(920.94)	(892.04)
	1,013.11	**1,367.08**
Loans due to Directors or other officers of the company	-	-
Loans due to firm or private company in which directors is partner or director	-	-
	-	-

The company is required to give disclosures as per the amendments in Schedule III vide notification dated 24th March 2021 on ageing analysis of Trade Receivables, In absence of the information received from the subsidiaries (refer note no 3.15 on the consolidation status) , we are unable to give Trade Receivable ageing schedule for above carrying amount.

2.8(i) Cash and cash equivalents

	March 31, 2022	March 31, 2021
Cash in hand	27.90	3.96
Balances with banks		
Current Accounts (a)	114.05	153.20
Fixed Deposits with bank with maturity less than 3 months	143.76	110.92
	285.71	**268.08**

(a) Balances with banks includes amount in escrow account	0.69	0.69

2.8(ii) Other Bank Balances

	March 31, 2022	March 31, 2021
Fixed Deposits with bank with maturity less than 12 months as on reporting date	19.54	50.03
Restricted Cash and cash equivalents	0.75	0.73
Earmarked Balances		
- Balances with banks in unpaid dividend accounts	1.16	1.48
	21.45	52.24

*Banks had frozen certain bank account during earlier year in order to protect interest of shareholder and management until dispute being resolved, as detailed in Note 3.09, restricted cash and cash equivalent represents bank accounts of one of the step-down subsidiary at Indonesia. The above disclousure is made basis limited information available from earlier financial statements.

2.9 Loans (Current)

(Unsecured, Considered Good, unless otherwise stated)

	March 31, 2022	March 31, 2021
Other Loans and Advances	177.52	244.42
Security Deposits	1.20	1.29
	178.72	245.71
Loans due to Directors or other officers of the company	-	-
Loans due to firm or private company in which directors is partner or director	-	-
	-	-

Notes to the Consolidated financial statements

for the year ended March 31, 2022

₹ in Million

	As at	
	March 31, 2022	March 31, 2021

2.10 Other Financial Assets (Current)

(Unsecured, Considered Good, unless otherwise stated)

Accrued interest on fixed deposit with banks	1.17	0.05
Insurance Claim Receivable (Refer Note 3.10)	593.46	593.46
Other receivables	48.13	48.13
	642.76	**641.64**

2.11 Other Current Assets

Prepaid Expenses	119.96	100.06
Advance to Employees	0.05	26.13
Advance to Suppliers	258.43	152.68
Other Advances*	291.51	417.98
GST / Service Tax Receivable	26.67	26.68
	696.62	**723.53**

Loans due to Directors or other officers of the company	-	-
Loans due to firm or private company in which directors is partner or director	-	-
	-	-

*Other Advances includes court deposits of Rs. 219.98 million (Previous year Rs. 335.68 million) relating to sale of Vessels

2.12 Equity Share Capital

Authorised		
135,00,00,000 (Previous Year - 35,00,00,000) Equity shares of Re 1/- par value each	135.00	135.00
100,00,000 (Previous Year - 100,00,000) Preference shares of Rs 100/- par value each	100.00	100.00
	235.00	**235.00**
Issued, Subscribed and Fully Paid Up Capital		
30,24,59,335 share (Previous Year - 30,24,59,335) Equity shares of Re 1/- each	302.46	302.46

(a) Rights, preferences, rectrictions attached to Shares

The company has two classes of authorised shares - (i) as equity shares having a face value of Rs. 1/- and (ii) preference shares having a face value of Rs. 100/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend whenever proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

₹ in Million

	2021-2022		2020-2021	
	Number	₹ in Million	Number	₹ in Million
Equity shares outstanding at the beginning of the period	30,24,59,335	302.46	30,24,59,335	302.46
Equity shares allotted in Qualified Institutional Placement	-	-	-	-
Equity shares outstanding at the end of the period	**30,24,59,335**	**302.46**	**30,24,59,335**	**302.46**

Notes to the Consolidated financial statements

for the year ended March 31, 2022

(c) The company during the preceeding five years :

(i) Has not allotted shares pursuant to contracts without payment received in cash.

(ii) Has not issued shares by way of bonus shares.

(iii) Has not bought back any shares.

(d) Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

	As at March 31, 2022		As at March 31, 2021	
	No of shares held	% of holding	No of shares held	% of holding
Anand Rathi Global Finance Ltd	1,61,46,584	5.34	2,55,00,000	8.43

(e) Details of shares held by promoters at the end of the year and movement:

	As at March 31, 2022		As at March 31, 2021		% change during the year
	No of shares held	% of holding	No of shares held	% of holding	
H. K. Mittal	99,25,000	3.28	1,00,74,900	3.33	-0.05
Archana Mittal	27,400	0.01	1,19,44,725	3.95	-3.94
AHM Investments Private Limited	1,07,25,050	3.55	1,07,25,050	3.55	0.00

Out of the promoters' holding -

(i) As stated in note 3.22, During FY 2020-21, 2,55,00,000 no of shares have been invoked by the financial lenders whereby total external loans liabilities amounting to Rs 39.50 Million have been discharged by the Company in its books on the basis of value of shares invoked based on closing traded price.

(ii) During FY 2020-21, 28,50,000 no of shares are pledged with various lenders/entities wherein there are no financial liabilities outstanding as on March 31, 2021. 57,39,050 No of shares have been released from pledge in the financial year 2020-21.

(iii) Promoters and Promoter Groups have sold 1,20,67,225 No. of shares during the year ended March 31, 2022. This has brought down the shareholding of the promoters in the Company to 6.84% as on March 31, 2022.

(e) In respect of year ended March 31, 2022, the Board of Directors of the Company has recommended not to pay any dividend (Previous Year Nil per share) on the fully paid up equity shares.

(f) The Company had rolled over Foreign Currency Convertible Bonds of USD 16 Mn on its maturity during the year with an agreed terms of conversion of liability at exchange rate of USD / Rs. = 58.5740 and face value of share price of Rs 10 each or such conversion price as may be calculated in compliance with applicable SEBI guidelines whichever is higher. There is a probability of dilution of promoter holding if such conversion happens, i.e. by fresh issuance of 9,37,18,400 shares. The bondholder preserves right to exercise such option at every anniversary commencing from 27th May 2019 for period of 3 years. Pursuance to default in creation of charge on Vessel "Yukti Prem" and pending approval from the bondholder for sale of asset of material subsidiary, until date of reporting, as per available information the bondholder has not yet exercised its right of conversion.

2.14 Other Equity

₹ in Million

	As at	
	March 31, 2022	March 31, 2021
A. Summary Of Other Equity **(Refer Statement of Changes in Equity for detailed movement)**		
Capital Reserve	428.95	428.95
Capital Redemption Reserve	400.00	400.00
Securities Premium Account	5,907.57	5,907.57
Debenture Redemption Reserve	250.00	250.00
General Reserve	1,676.33	1,676.33
Retained Earnings	(22,918.20)	(22,722.81)
Other Comprehensive Income (OCI)	15.01	15.01
Deemed Equity Component of FCCB	3.58	3.58
Foreign Currency Monetary Item Translation Difference Account	(147.38)	48.40
	(14,384.14)	**(13,992.97)**

Notes to the Consolidated financial statements

for the year ended March 31, 2022

B. Nature of Reserves

Capital Reserve

Capital Reserve is utilised in accordance with provisions of the Companies Act, 2013.

Capital Redemption Reserve

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

Security Premium Account

Securities Premium Reserve is used to record the premium on issue of securities of the Company. This reserve is created and utilised as per the provisions of the Companies Act, 2013.

Debenture Redemption reserve

The Company is required to create a Debenture Redemption Reserve out of the profits which is available for redemption of debentures.

General Reserve

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

Foreign Currency Monetary Item Translation Difference Account

Foreign Currency Monetary Item Translation Difference Account represents amounts recognised on account of translation of long term foreign currency denominated borrowings not related to acquisition of depreciable assets. Amounts so recognised are amortised in the statement of profit and loss over remaining maturity of related borrowings.

Hedging reserve

This records the movement in the value of cash flow hedges

Retained earnings

Retained earnings represents surplus/ accumulated earnings of the company less any transfers to General Reserve, Tonnage Tax Reserves, dividend or other distribution paid to Shareholders.

Deemed Equity: Represents deemed equity portion of FCCB as per Ind AS

2.15 Borrowings (Non-current)

₹ in Million

	Non-current Portion		Current Maturities*		Total	
	As at		As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Secured						
Debentures						
Secured Non Convertible Debentures - (a)	-	-	1,475.73	1,475.73	1,475.73	1,475.73
Term Loans						
From Banks						
Rupee Term Loans - (b) & (e)(ii)	-	-	957.88	957.88	957.88	957.88
Foreign Currency Term Loans - (c) & (e)(i)	-	-	5,495.47	5,456.66	5,495.47	5,456.66
External Commercial Borrowings (c) & (e)(i)	-	-	451.40	451.40	451.40	451.40
From Financial Institutions						
Rupee Term Loans - (b) &(e)(ii)	-	-		-	-	-
Unsecured						
From Financial Institutions						
Rupee Term Loans	-	-	15.00	15.00	15.00	15.00
Foreign Currency Convertible Bonds (d)	-	-	1,165.80	1,165.80	1,165.80	1,165.80
	-	**-**	**9,561.28**	**9,522.47**	**9,561.28**	**9,522.47**

* Current maturities of non-current borrowings have been disclosed under "Other Financial Liabilities (Current)", refer Note 2.19

Notes to the Consolidated financial statements

for the year ended March 31, 2022

All the lenders of the Parent Company and few lenders of other Group Companies have recognised event of default and classified the dues from the Company as Non Performing Asset (NPA).

One of the Lender had filed petition u/s 7 of IBC 2016 with National Company Law Tribunal (NCLT) Mumbai. Accordingly a Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'), as more elaborated in note 3.07 and 3.14

(a) Debentures comprise of following:

₹ in Million

	As at				Redemption Date
	March 31, 2022		March 31, 2021		
	Gross	Carrying Value	Gross	Carrying Value	
1300 (PY 1000) (12.00)% Secured Unlisted Unrated Non Convertible Debentures of Rs. 10,00,000 each *	126.45	1,475.73	126.45	1,475.73	Quarterly installment starting from June 2020
Total (A)	**126.45**	**1,475.73**	**126.45**	**1,475.73**	

"* Non Convertible Debentures were secured by first pari-pasu charge on specified vessels and subservient charge on specified vessel of the Company. The same are further collaterally secured on first pari-passu charge on specified moveable and immoveable assets, pledge of shares and hypothecation of all loans whether secured or unsecured given to Mercator Petroleum Limited held by the Parent Company and its step down subsidiary and shares of Mercator Oceantransport Limited. This is further secured by personal guarantee of the promoter. This will be redeemed at premium of 5% (for first two years) and 7% (subsequent residual tenor) on every redemption instalment or any prepayment as per terms of Debenture Trust Deed. Carrying value includes Rs. 211.20 million (Previous Year Rs. 211.20 million) for redemption premium on cumulative accrual basis.

Premium payable on redemption of Non-Convertible Debentures issued to UTI amounting to Rs. 211.20 million (Previous Year Rs. 211.20 million) has been included under 'Non-Convertible Debentures within "Other Financial Liabilities (Current)" (Refer note 2.19)

(b) Rupee Term Loan comprise of following:

ii The Rupee term loans from banks of Rs. 957.88 million (Previous Year Rs. 957.88 million) is primarily secured against movable and immovable fixed assets of the Oil Block (CB/ONN/2005/9), project contracts and insurance policies. The loan is further collaterally secured by personal guarantee of promoter, parent company and investment property of the Company (Refer Note 2.19). The Lender has classified account as Non Performing Asset (NPA) and also initiated process of sale of oil blocks. The lender has given an undertaking in NCLT to supervise such sale. During the year, the bank has converted sub limit of FCNR amounting to USD 12 million into Rs. facility pursuant to NPA and utilised forward contract on maturity for such conversion. The entire facility is in Rs. denominated at the end of the year. The Bank has issued notice u/s 13(2) of SARFAESI Act 2002 dated September 7, 2020 and issued notice against borrower, corporate guarantor cum security provider and personal guarantor.

(c) Foreign Currency term loan comprise of following:

(i) The foreign currency term loans from banks of Rs. 5495.47 million (PY Rs 5456.66 million) are secured by a first ranking or exclusive charge/ mortgage/ security interest in respect of specified vessels of the Group as well as charge on cash flows of specified vessels. Also out of total loan amounting to Rs 1165.80 million (Previous Year Rs 1165.80 million) are secured on cash flow from mining properties and pledge of shares of said companies including intercompany corporate guarantees.

(ii) Out of the above, The foreign currency term loans from banks of Rs. 4278.80 million (PY 4278.80 million) (gross) are secured by a first ranking or exclusive charge/ mortgage / security interest in respect of specified vessels of the parent company as well as charge on cash flows of specified vessels. All the lenders have recognised event of default and classified the account under Non Performing Asset (NPA).

One of the Lender has filed petition u/s 7 of IBC 2016 with National Company Law Tribunal (NCLT) Mumbai. Accordingly a Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') as stated in note (a) above and note 3.01.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

Another Lender has exercised its right under mortgage deed and Sec 51 of the Merchant Shippign Act 1958 and sold the asset

In addition to above, in case of foreign currency term loan of Rs. 1013.90 million (PY Rs. 1013.90 million), the lender has filed case in Singapore High Court against borrower and singapore guarantor wherein the summary judgment has been pronounced subsequent to balance sheet date and borrower is obliged to pay due installments along with interest. For remaining amount, either parties have right to proceed for trials. Upon non payment on execution, the lender has right to take shelter under local laws for other means of recovery including wind up of borrower. Singapore guarantor has filed voluntary liquidation subsequent to balance sheet date which amounts to breach of terms and confition as per facility agreement and lender has right to take further course of action.

One of the financial lenders of the Wholly Owned Foreign Subsidiary had recalled loan in the month of May 2019 and further to that, they have filed case in Singapore High Court for recovery of their outstanding dues. The said subsidiary is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators

(iii) One of the financial lenders of the Wholly Owned Foreign Subsidiary had recalled loan in the month of May 2019 and further to that, they have filed case in Singapore High Court for recovery of their outstanding dues. The said subsidiary is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators

(iv) Pursuant to the initiation of CIR Process, all the facilities including foreign currency term loan liabilities amounting to Rs. 5896.00 million for the Parent Company has been crystallised in Rs. on February 7, 2021.

(d) Foreign Currency Convertible Bonds (FCCB) of USD 16 million outstanding amounting to Rs. 1165.80 million (Previous Year Rs.. 1206.20 million) are convertible upon exercise of option during the period May 27, 2014 till April 27, 2019 at initial conversion price of Rs. 38.30 Per Share (at a fixed rate of exchange on conversion of Rs. 58.5740 per 1 USD). The maturity date of FCCB is May 27, 2019 which is listed on Singapore Stock Exchange. This is fully unsecured in nature. The Company has entered into financial commitment to rollover the said FCCB with existing Bondholder with major change in terms and conditions for which the Company is awaiting approval of Reserve Bank of India (RBI). Upon its receipt, as there is major change in valuation, this rollover will extinguish the underlying nomenclature of previous bond transaction and will amount to change in fair value under applicable IND AS.

The Parent Company had entered into binding obligation with the Bondholder for rollover of FCCB with change in major terms and conditions and had also applied with Reserve Bank of India for approval of the same which is awaited. The bondholders' revised/new terms and conditions are as under:

i. Maturity date of the FCCB's has been extended from May 27, 2019 to May 27, 2022 or such date as may be agreed by the Parties.

ii. The Conversion Price of the FCCB's has been reset from Rs. 38.30 per share to Rs. 10 per share (with a fixed rate of exchange on conversion of Rs. 58.5740 per USD)

iii. Earlier coupon of 4.75% per annum payable annually has been changed to 5.75% compounded annually.

iv. The Company shall provide as security for the existing FCCBs a charge over the "Yukti Prem", which was unsecured as per earlier terms.

v. Also, Put/Call/ Conversions options at various time frames and upon occurrence of certain events has been provided to respective parties which was not provided in earlier terms.

In view of non creation of charge (as the vessel has been arrested by operational creditors) as per terms and condition of Trust Deed, the Bondholder has triggered event of default. In addition to that, the Company was required to seek prior approval for sale of oil blocks or other material events of Mercator Petroleum Limited, which has also not been taken until date of reporting. The Bondholder has not yet exercised its right under put option wherein there is commitment of conversion share price at Rs. 10 per share. Correspondingly, the company has not paid annual interest as well due subsequent to reporting period. The Bondholder has exercised its right for repayment and treat entire facility callable on demand.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

(e) (i) Foreign Currency term from bank and Financial Institutions comprise of following:

₹ in Million

Particulars	Currency	Unpaid Instal-ments*	Rate of Interest**	As at				End of Tenure	Remarks*
				March 31, 2022		March 31, 2021			
				Gross	Carrying Value	Gross	Carrying Value		
External Commercial Borrowing	USD	*	Libor+3.40%	451.40	451.40	451.40	451.40	2022	Unpaid since Sep 2018
Total (B)				**451.40**	**451.40**	**451.40**	**451.40**		
Foreign Currency Term Loan	USD	*	Libor+4.50%	329.25	329.25	329.25	329.25	2022	
Foreign Currency Term Loan	USD	*	Libor+4.50%	227.69	227.69	227.69	227.69	2020	
Foreign Currency Term Loan	USD	*	Libor+4.50%	141.58	141.58	141.58	141.58	2020	
Foreign Currency Term Loan	USD	*	Libor+5.20%	1,098.40	1,098.40	1,098.40	1,098.40	2022	
Foreign Currency Term Loan	USD	*	Libor+4.50%	616.95	616.95	616.95	616.95	2025	
Foreign Currency Term Loan	USD	*	MCLR+3.55%	284.89	284.89	284.89	284.89	2023	
Foreign Currency Term Loan	USD	*	MCLR+3.55%	398.85	398.85	398.85	398.85	2023	
Foreign Currency Term Loan	USD	*	Libor+5.00%	180.05	180.05	180.05	180.05	2020	
Foreign Currency Term Loan	USD	*	Libor+5.00%	1,001.10	1,001.10	1,001.10	1,001.10	2022	
Foreign Currency Term Loan	USD	*	Libor+5.00%	1,047.30	1,047.30	1,013.89	1,013.89	2021	
Foreign Currency Term Loan	USD	*	Libor+6.00%	169.40	169.40	164.02	164.02	2018	
Total (C)				**5,495.46**	**5,495.46**	**5,456.66**	**5,456.66**		
Foreign Currency Convertible Bonds (FCCB) (D)	USD	*	5.75%	1,165.80	1,165.80	1,165.80	1,165.80	2022	
Total (B + C + D)					**7,112.66**		**7,073.86**		

* since all loans are demanded / called by Banks/ FIs etc - hence nothing has been reflected under " unpaid instalments"

** Interest rate as per Latest available records

(e) (ii) Rupee Term Loan from bank and Financial Institutions comprise of following:

Rupee term loan from Financial Institution (E)	Rs.	*	10% & 14.5%	15.00	15.00	15.00	15.00	2019	
Rupee term loan from Bank (F)	Rs.	*	1Y MCLR + 4.60%	957.88	957.88	957.88	957.88	2021	

* since all loans are demanded / called by Banks/ FIs etc - hence nothing has been reflected under " unpaid instalments"

** Interest rate as per Latest available records

Total (E + F)					**972.88**		**972.88**		
Total (A + B + C + D + E + F)					**9,561.28**		**9,522.47**		

(f) External Credit Rating under disclosure of SEBI (Credit Rating Agency) Regulation 2017

The CARE Ratings Limited (CARE) has downgraded the rating assigned to the Company for Long Term Credit facilities from CARE C (Single C) to CARE D (Single D) and Short Term Credit facilities from CARE A4 to CARE D and further upon non payment of surveillance fees for the rating exercise as per Rating Agreement during the year, the Rating has been denoted as CARE D (Issuer not cooperating). There have been delays / defaults in repayment of Loans instalments and Interest to Banks / Financial Institutions / Non Banking FInance Companies (NBFC) since end of Sept 2018.

During the year, the Company has committed breach of other applicable financial covenants including payment default in interest and instalment due to various Banks / financial institutions (FIs) which are still continuing in nature, resulting in several banks / FIs recalling their loans.

(g) The above information is basis the last update available with the Company pertaining to all the subsidiaries and hence may not be fit for any consideration at group level.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

2.14 (g) - Details of delays and defaults in repayment of Borrowings and Interest thereon*

₹in Million

Sr. No.	Name of Lender	Note	Base Currency	Type of Loan	Borrowings				Interest		Borrowings				Interest	
					Default in repayment during the year ended March 31, 2022##		Default as at March 31, 2022##		Default as at March 31, 2022##		Delay in repayment during the year ended March 31, 2021		Default as at March 31, 2021		Default as at March 31, 2021	
					₹ in Million	No of Days	₹ in Million	No of Days	₹ in Million	No of Days	₹ in Million	No of Days	₹ in Million	No of Days	₹ in Million	No of Days
A	**LONG TERM LOANS**															
1	Axis Bank Limited	a	USD	ECB	-	-	-	-	2.20	91	-	-	-	-	2.20	91
2	Axis Bank Limited	f	USD	ECB	451.40	-	451.40	679	57.20	313	451.40	313	451.40	679	57.20	313
3	Axis Bank Limited	f	USD	FCNR	329.25	-	329.25	679	62.20	313	329.25	313	329.25	679	62.20	313
4	Axis Bank Limited	f	USD	FCNR	227.69	-	227.69	679	45.50	313	227.69	313	227.69	679	45.50	313
5	Axis Bank Limited	f	USD	FCNR	141.58	-	141.58	679	38.70	313	141.58	313	141.58	679	38.70	313
6	Axis Bank Limited	f	USD	FCNR	1,098.40	-	1,098.40	679	233.80	313	1,098.40	313	1,098.40	679	233.80	313
7	Export and Import Bank of India	j	USD	FCTL	616.95	-	616.95	332	67.10	313	616.95	313	616.95	332	67.10	313
8	ICICI Bank Limited	k	USD	FCNR	1,001.10	-	1,001.10	679	193.90	313	1,001.10	313	1,001.10	679	193.90	313
9	ICICI Bank Limited	k	USD	FCNR	180.05	-	180.05	679	49.00	313	180.05	313	180.05	679	49.00	313
10	ICICI Bank Limited	k	USD	FCNR	284.89	-	284.89	679	70.40	313	284.89	313	284.89	679	70.40	313
11	ICICI Bank Limited	k	USD	FCNR	398.85	-	398.85	679	98.80	313	398.85	313	398.85	679	98.80	313
12	AION Direct Private Limited	d	USD	FCCB	1,165.80	-	1,165.80	313	188.90	313	1,165.80	313	1,165.80	313	188.90	313
13	UTI Capital Private Limited	b	Rs.	NCD	1,475.73	-	1,475.73	313	1,687.50	313	1,475.73	313	1,475.73	313	1,687.50	313
14	Bank of Baroda	l	Rs.	TL	957.93	-	957.93	366	344.70	365	957.93	366	957.93	366	344.70	365
15	ICICI Bank Limited	m	USD	TL	1,013.89	-	1,013.89	366	-	-	1,013.89	366	1,013.89	366	-	-
16	ICICI Bank Limited	n	USD	TL	164.02	-	164.02	366	35.10	365	164.02	366	164.02	366	35.10	365
	Total				**9,507.53**		**9,507.53**		**3,175.00**		**9,507.53**		**9,507.53**		**3,175.00**	
B	**SHORT TERM LOANS (inc Working Capital)**															
1	ICICI Bank Limited	e	Rs.	STL	30.64	-	30.64	444	45.30	679	30.64	313	30.64	444	45.30	679
2	Other Financial Lenders #		Rs.	ICD	205.00	-	205.00	679	96.90	679	205.00	313	205.00	679	96.90	679
3	State Bank of India	h	Rs.	MTL	747.95	-	747.95	640	303.00	640	747.95	313	747.95	640	303.00	640
4	State Bank of India	i	Rs.	CC	911.75	-	911.75	649	311.30	649	911.75	313	911.75	649	311.30	649
5	Yes Bank Limited	g	Rs.	CC	200.00	-	200.00	456	81.30	314	200.00	313	200.00	456	81.30	314
6	Axis Bank Limited	r	Rs.	STL	2,248.00	-	2,248.00	611	262.11	610	2,206.18	366	2,206.18	611	383.39	610
7	ICICI Bank Limited	o	USD	WC	1,569.04	-	1,569.04	732	-	731	1,481.03	366	1,481.03	732	-	731
8	DBS Bank Limited	p	USD	WC	231.48	-	231.48	732	20.80	731	218.50	366	218.50	732	20.80	731
9	Axis Bank Limited	q	Rs.	WC	594.76	-	594.76	732	409.59	731	588.34	366	588.34	732	288.31	731
	Total				**6,738.63**		**6,738.63**		**1,530.30**		**6,589.39**		**6,589.39**		**1,530.30**	
	Grand Total				**16,246.16**		**16,246.16**		**4,705.30**		**16,096.92**		**16,096.92**		**4,705.30**	

Notes to the Consolidated financial statements

for the year ended March 31, 2022

Delays /defaults w.r.t. loan from various NBFCs / Financial Institutions have been consolidated under "Other Financial Lender" and not disclosed case wise for the Parent Company.

Delays/defaults for the current year for the Parent Company have been considered upto to February 07, 2021 i.e. upto the date of RP appointment, as per note 3.07 and 3.14 and the same have been continued in the current year also.

The borrowings of the Parent Company have been crystallised in Rs. and admitted as of February 07, 2021"

Incremental default days have been calculated till the start of CIRP i.e. February 7, 2021 for the loan outstanding as at March 31, 2021 in case of Parent company.

* Due to non availability of relevant information from the subsidiaries, interest default working has been prepared based on limited facts available and may not depict correct facts for certain reporting done.

Additional Note:

a The Bank had recognized event of default as per terms and condition of loan agreement and ECB had been fully paid off by sale of its underlying vessel "Prem Pride".

b During the previous year, the Debenture trustee had recognized event of default retrospectively from October 04, 2018 and charged penal interest as per terms and condition of Debenture Trust Deed. The same had been accrued and is unpaid as on Balance Sheet date.

c Pursuant to delay in repayment of instalment, the Company had sold underlying asset and prepaid the debt obligation.

d Subsequent to rollover of FCCB dated May 27, 2019, the Trustee had recognized event of default dated June 04, 2019. during the year , Bondholder had recalled the FCCB and sought payment immediately based on breach of negative covenant stated as per sanction terms.

e Pursuant to classification of NPA upon delay in payment of loan, the Bank had adjusted earmarked cash margin.

f The Bank had classified account as NPA dated February 28, 2019.

g The Bank had recalled loan dated November 9, 2019 and account had been classified as NPA

h The account was classified as NPA on May 9, 2019 and the Bank had filed petition u/s 7 of Insolvency and Bankruptcy Code 2019. The Bank had also invoked personal guarantee of promoter director which has been undischarged on date of balance sheet.

i The account was classified as NPA on April 23, 2019 and the bank had filed petition u/s 7 of Insolvency and Bankruptcy Code 2019. There were devolvement of LC's and BG's cumulative amounting to Rs. 243.20 million (Previous Year Rs. 360.50 million) and converted into fund based utilization.

j The Bank had recalled loan dated November 13, 2019 and exercised rights u/s 51 of Merchant Shipping Act 1958 for sale of underlying vessel "Hansa Prem". The Bank had classified account as NPA on July 1, 2019.

k The Bank had classified account as NPA on February 28, 2019 and debt obligation was outstanding as on March 31, 2020. The Bank had converted part of loan in Indian Rupee (Rs.) at notional rate considering NPA provisioning norms and also filed petition u/s 9 of the Insolvency and Bankruptcy Code 2016, which has been admitted as on February 8, 2021.

l "The Bank had classified account as NPA dated June 18, 2019 and issued notice u/s 13 of SARFAESI Act 2002 against borrower, guarantor and personal guarantor.

The Bank had also converted USD FCNR loan into Rs. Term Loan. The debt obligation is outstanding during the year.

m The Bank had invoked loan and guarantee of Singapore guarantor dated May 13, 2019 and May 21, 2019 respectively. The debt obligation is outstanding and the bank has filed case in High Court of Singapore against borrower and Singapore guarantor where hearing is in process on date of balance sheet. The Bank had also sent letter of demand to Indonesian Guarantor against which civil case has been filed in district court of south Jakarta. Hearing of the case is in progress.

n The Bank had invoked loan and guarantee of Singapore guarantor dated May 13, 2019 and May 21, 2019 respectively. The debt obligation is outstanding. The Bank had also sent letter of demand to Indonesian Guarantor against which civil case has been filed in district court of south Jakarta. Hearing of the case is in progress

o The Bank had invoked loan and guarantee of Singapore Guarantor dated May 13, 2019 and May 21, 2019 respectively. The debt obligation is outstanding.

p The Bank had invoked loan and issued letter of demand dated August 29, 2019 and statutory demand notice dated October 10, 2019 to borrower. The debt obligation is outstanding.

q The Bank had classified account as NPA dated February 28, 2019 and debt obligation is outstanding at Balance Sheet date. The Bank had additionally sanctioned litigation funding for arbitration hearing and subsequent to balance sheet date, the subsidiary Company has executed undertaking for recovery of debt obligation from realisation of claim under arbitration.

r Pursuant to the order of High Court of Bombay in relation to invocation of Bank Guarantee under Sagar Samrat Conversion Project (SSCP), the bank had discharged its obligation towards beneficiary. The short term loan is outstanding at the end of the year and interest has been unpaid until date of reporting.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

₹ in Million

	As at	
	March 31, 2022	March 31, 2021

2.15 Other Financial Liabilities (Non-Current)

Security Deposit	0.30	48.20
Other payables	151.49	121.07
	151.79	**169.27**

2.16 Provisions (Non Current)

Provision for employee benefits		
Compensated absences	64.59	54.28
	64.59	**54.28**

2.17 Borrowings (Current)

Secured		
From Banks		
Cash Credit (Refer Note No. 2.17(a)(i))	5,115.26	5,017.45
Rupee loan payable on demand (Refer Note No. 2.17(a)(ii)	747.95	747.95
Foreign Currency loan payable on demand	594.76	588.04
From Financial Institutions		
Other Loans (Refer Note No 2.17(a)(iii) and 2.17(b))	189.69	189.69
Unsecured		
From Banks		
Loan repayable on demand	30.64	30.64
From Others		
Loan from Director (Refer Note No 2.17 (a)(v and vii) and 2.17(c))	173.71	173.71
	6,852.01	**6,747.48**

Note:

(a) (i) Cash Credit facilities from Scheduled Banks are secured by first charge on all receivables on pari-passu basis and second charge on specified vessels. Loan repayable on demand from banks are secured by cash collateral cum earmarked balances and promoter's personal guarantee. Other loans are secured by pledge of shares and personal guarantee of promoters Unsecured loan repayable on demand from other party has novation right / put option to exercise from one of step down subsidiary of the Company.

(ii) Loan repayable on demand from banks are secured by promoter's personal guarantee. During the previous year, loan repayable on demand Rs. 170.70 million had been adjusted against cash collateral cum earmarked balance and hence balance amount has been classified as unsecured and reclassified disclosure accordingly.

(iii) Other loans are secured by pledge of shares and personal guarantee of promoters In case of loan amounting to Rs.125.50 million (P.Y Rs 165.0 million), the parent company has created pledge on shares of its one of the subsidiary company Mercator Petroleum Limited. One of the NBFC lender has invoked 2,55,00,000 No. of shares of promoters on July 2, 2020. The parent Company has consequently adjusted in its books the outstanding due in part amounting to Rs.39.50 million.

(iv) Unsecured loan repayable on demand from other party has novation right / put option to exercise from one of step down subsidiary of the Company. The same has been executed and discharged its obligation during the previous year.

(v) Loan from director has been stated at actual amount of invocation of shares by the financial lenders wherein the company has taken an external legal opinion for its legal implication and right of director to recover amount of net worth utilised for repayment of debt obligation of the Company.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

(vi) Foreign Currency Demand Loan is provided as a sublimit of the existing Overdraft limit for a tenure of one year, with a roll over to be undertaken after 6 months. Rate of Interest: 6 months LIBOR plus 5.5 % p.a. payable monthly

* During the year ended March 31, 2019, financial lender of a step down overseas subsidiary has invoked Letter of Comfort (LOC) amounting to rs2446.10 million (USD 35.20 million) which has resulted in a claim of debt of such amount with interest on the Parent Company as on March 31, 2019. A part of such loan, amounting to rs1744.70 million, has been recovered by the lender on May 9, 2019 from the sales proceeds of sale of vessel Nerissa in the step down subsidiary."

(vii) Loan from director has been stated at actual amount of invocation of shares to the extent of settlement of debt obligation of the financial lenders The Company has taken a legal opinion for its legal implication and right of director (including relative) to recover amount of net worth utilised for repayment of debt obligation of the Company

Rupee term loan from financial institution comprise of the following:

₹ in Million

	Nature	Rate of Interest	March 31, 2022		March 31, 2021	
			Gross	Carrying Value	Gross	Carrying Value
Financial Institution*	Short Term	16.00%	125.48	125.48	125.48	125.48
Financial Institution*#	Short Term	14.00%	59.24	59.24	59.24	59.24
Financial Institution	Short Term	14.00%	4.97	4.97	4.97	4.97
Total			**189.69**	**189.69**	**189.69**	**189.69**

The above loans are secured against pledge of shares held by promoters

* Loans are further collaterally secured by Personal Guarantee of Promoters

During the year, the Lender, Borrower and Guarantor have entered into a settlement agreement whereby the Guarantor shall discharge the afiresaid liability at an amount of Rs. 10 million. The will be accounted in FY 2020-21 which will result in extinguishment of balance liability and interest accrued outstanding at the end of year.

(c) Repayment of short term loan by way of Invocation of pledged shares during the financial year ended 2020-2021

₹ in Million

Name of Director (including relatives)	No of Shares Invoked	Price of Invocation	Loan Outstanding (₹ in Million)
(i) H. K. Mittal	-	-	-
(ii) Archana Mittal	-	-	-
(iii) AHM Investments	-	-	-
Total	**-**	**-**	**-**

Based on an independent legal opinion, the Parent Company has restated loan from directors arises on account of invocation of shares at actual price of such sale of shares by lenders and recovered debt obligation.

Invocation of Shares pledged for Short Term Loan, during the year ended March 31, 2021

₹ in Million

Name of Director (including relatives)	No of Shares Invoked	Price of Invocation	Loan Outstanding (₹ in Million)
(i) H. K. Mittal	1,11,18,800	1.550	17.23
(ii) Archana Mittal	67,00,000	1.550	10.39
(iii) AHM Investments Private Limited	76,81,200	1.550	11.91
Total	**2,55,00,000**		**39.53**

Notes to the Consolidated financial statements

for the year ended March 31, 2022

₹ in Million

	As at	
	March 31, 2022	March 31, 2021

2.18 Trade Payables

Total Outstanding of		
- Micro and small enterprises (Refer Note 3.31)	3.79	3.54
- Other than micro and small enterprises	1,425.21	1,481.29
	1,429.00	**1,484.83**

The Group is required to give disclosures as per the amendments in Schedule III vide notification dated 24th March 2021 on ageing analysis of Trade Payable, In absence of the information received from the subsidiaries (refer note no 3.15 on the consolidation status) , we are unable to give Trade Payable ageing schedule for above carrying amount.

2.19 Other Financial Liabilities (Current)

Current maturities of long-term debt		
- Debentures (Refer Note 2.14)	1,475.73	1,475.73
- External commercial borrowings (Refer Note 2.14)	451.40	451.40
- Rupee Term Loan from Financial Institution (Refer Note 2.14)	15.00	15.00
- Term loans from banks (Refer Note 2.14)	6,453.35	6,414.54
- Foreign Currency Convertible Bonds (Refer Note 2.14)	1,165.80	1,165.80
Interest accrued and due on borrowings	4,616.82	4,633.60
Interest Accrued and Due - Claims not admitted (Refer Note 2.14)	-	71.80
Lease Payable	-	87.06
Unpaid dividend (a)	1.16	1.48
Other payables	1,063.64	1,005.89
	15,242.90	**15,322.30**

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

2.20 Other Current Liabilities

Statutory dues payables*	305.69	359.32
Service Tax Payable net of CESTAT deposit of Rs. 23.40 million (Previous Year Rs. 23.40 million)	14.00	14.00
Other Payables	64.21	64.21
Advance from customers	323.00	494.13
	706.90	**931.66**

* Statutory dues includes liability towards GST net of GST input credit receivable.

2.21 Provisions (Current)

Provision for employee benefits		
Gratuity	1.86	1.86
	1.86	**1.86**

Notes to the Consolidated financial statements

for the year ended March 31, 2022

₹ in Million

	For the Year Ended	
	March 31, 2022	March 31, 2021

2.22 Revenue from Operations

Revenue from -		
Revenue from		
Dredging	-	68.55
Coal Sales and support services	-	3,669.28
	-	**3,737.83**

(a) Details of Contract Revenue and Cost under IND AS 115

Contract revenue recognised during the year	Nil	Nil
Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	Nil	Nil
Advances received for contracts in progress	Nil	Nil
Retention money for contracts in progress	Nil	Nil
Gross amount due from customers for contract work (Asset)	Nil	2,046.10
Gross amount due to customers for contract work (Liability)	Nil	Nil

(b) Disaggregation of revenue

Type of Revenue		
Revenue recognised at point in time		
Sale of Goods	-	2,789.11
Revenue recognised over time		
Services rendered	-	948.72
Total	**-**	**3,737.83**

2.23 Other Income

Interest income		
- Fixed Deposits and Inter corporate deposits	-	1.78
- others	3.93	1.10
Balances written back / written off (net) (Refer Note 3.40)	-	101.47
Gains/ (Loss) on Exchange Differences (net)	-	208.96
Gain on sale of non current investment	-	0.89
Other income (Refer Note No.3.19)	-	73.78
	3.93	**387.98**

Notes to the Consolidated financial statements

for the year ended March 31, 2022

₹ in Million

	For the Year Ended	
	March 31, 2022	March 31, 2021

2.24 Operating Expenses

Coal purchases, mining and handling expenses	-	1,685.52
Vessel /Equipment hire expenses	-	606.17
Crew Expenses	-	4.08
Agency, Professional and service expenses	-	389.49
Commission	-	5.96
Dispatch & Demurrage	-	119.51
Insurance	-	5.39
Port expenses	-	50.42
Repairs and Maintenance	-	14.73
Other Expenses	-	16.04
	-	**2,897.31**

2.25 Employee Benefits Expenses

Salaries, wages, bonus, etc.	4.65	219.05
Contribution to provident and other funds	0.13	2.92
Employee welfare expenses	-	6.94
	4.78	**228.91**

2.26 Finance cost

Interest expense	131.13	1,807.68
Other borrowing costs	1.52	1,100.21
	132.65	**2,907.89**

(a) In lieu of the fact that the CIRP has been initiated against the Parent Company vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the NCLT and the moratorium uls 14 of Insolvency and Bankruptcy Code 2016 has been declared in the said order, during FY 2020-21, the Parent Company has provided interest expenses and perial interest as per contractual terms and condition of all the loans from external financial lenders upto February 07, 2021, irrespective of the fact whether the same has been charged or confirmed by the lenders.

(b) Interest expenses includes interest of Rs NIL (P.Y. Rs.Rs 11.10 million) on delayed deposit of tax deducted at source (TDS) in compliance with Chapter XVII-B of Income Tax Act 1961.

2.27 Impairment

Impairment/(Reversal of Impairment)on Property Plant and Equipment's	-	(18.58)
Impairment of Loans advances and Investment	-	284.92
	-	**266.34**

Notes to the Consolidated financial statements

for the year ended March 31, 2022

₹ in Million

	For the Year Ended	
	March 31, 2022	March 31, 2021

2.28 Loss on Sale / Discard of Asset (Refer note 2.1 (xi)

	March 31, 2022	March 31, 2021
Loss on Sale / Discard of Fixed Asset	-	22.59
	-	**22.59**

2.29 Other expenses

	March 31, 2022	March 31, 2021
Rent	0.36	7.95
Payment to auditors		
As auditors	0.62	3.96
For other services (certification and other matters)	0.38	0.45
Repairs and Maintenance	1.06	1.56
Insurance	0.23	0.12
Net Loss on foreign currency transactions/translation	12.02	-
Legal, Professional and consultancy expenses	68.21	373.44
Communication Expenses	-	0.41
Conveyance, Car Hire and Travelling	0.11	0.53
Advertisement	0.32	-
Bad Debts and other amounts written off/back (net)	0.21	0.03
Interest/Compounding fees on TDS payments	-	16.99
Miscellaneous expenses	36.74	43.82
	120.26	**449.26**

2.30 Income Tax Expenses

	March 31, 2022	March 31, 2021
Amount recognised in Statement of Profit & Loss		
Current Tax		
Income tax for the year	-	62.29
Adjustments/(credits) related to previous years - Net (Refer Note 3.33)	11.25	93.51
Total current tax	**11.25**	**155.80**
Deferred tax		
Deferred tax for the year	-	-
	-	**-**
Total	**11.25**	**155.80**

Notes to the Consolidated financial statements

for the year ended March 31, 2022

₹ in Million

	For the Year Ended	
	March 31, 2022	March 31, 2021
3.01 Disclosure as per Ind AS 33 "Earnings per Share (EPS)"		
(a) For Continuing Operation		
Basic EPS (in Rs.)	(0.65)	(10.98)
Diluted EPS (in Rs.) *	(0.65)	(10.98)
Reconciliation of earnings used in calculating earning per share		
Total Profit/(loss) attributable to equity shareholders	(195.39)	(3,321.78)
Weighted average numbers of equity shares used in the calculation of EPS:		
Weighted average numbers of equity shares used in the calculation of Basic EPS	30,24,59,335	30,24,59,335
Dilutive impact of FCCB (Anti Dilutive, hence Nil)	-	-
Weighted average numbers of equity shares and potential equity shares used in the calculation of Diluted EPS	30,24,59,335	30,24,59,335
Face Value per equity share (Rs.)	1.00	1.00
* Diluted EPS for the year ended March 31,2022 is considered as same as Basic EPS, Since the effect is antidilutive		
(b) For Discontinued Operation		
Basic EPS (in Rs.)	-	-
Diluted EPS (in Rs.) *	-	-
Reconciliation of earnings used in calculating earning per share		
Total Profit/(loss) attributable to equity shareholders	-	-
Weighted average numbers of equity shares used in the calculation of EPS:		
Weighted average numbers of equity shares used in the calculation of Basic EPS	30,24,59,335	30,24,59,335
Dilutive impact of FCCB (Anti Dilutive, hence Nil)	-	-
Weighted average numbers of equity shares and potential equity shares used in the calculation of Diluted EPS	30,24,59,335	30,24,59,335
Face Value per equity share (Rs.)	1.00	1.00
* Diluted EPS for the year ended March 31,2022 is considered as same as Basic EPS, Since the effect is antidilutive		
(c) For Continuing and Discontinued Operation		
Basic EPS (in Rs.)	(0.65)	(10.98)
Diluted EPS (in Rs.) *	(0.65)	(10.98)
Reconciliation of earnings used in calculating earning per share		
Total Profit/(loss) attributable to equity shareholders	(195.39)	(3,321.78)
Weighted average numbers of equity shares used in the calculation of EPS:		
Weighted average numbers of equity shares used in the calculation of Basic EPS	30,24,59,335	30,24,59,335
Dilutive impact of FCCB (Anti Dilutive, hence Nil)	-	-
Weighted average numbers of equity shares and potential equity shares used in the calculation of Diluted EPS	30,24,59,335	30,24,59,335
Face Value per equity share (Rs.)	1.00	1.00

* Diluted EPS for the year ended March 31,2021 is considered as same as Basic EPS, Since the effect is antidilutive

Notes to the Consolidated financial statements

for the year ended March 31, 2022

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

(i) Defined benefit plans expose the Group to actuarial risks such as: Interest Rate Risk, Salary Risk and Demographic Risk.

i. **Interest Rate Risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.

ii. **Salary risk:** Higher than expected increases in salary will increase the defined benefit obligation.

iii. **Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defi ned benefit obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(A) Defined Contribution Plans:

The Group has recognised the following amounts in the Statement of Profit and Loss for the year:

₹ in Million

Particulars	For the Year Ended	
	March 31, 2022	March 31, 2021
Contribution to Employees' Provident Fund (Includes Contribution to Seamen's Provident Fund)	0.12	1.00

(B) Defined Benefit Plans:

During the year, the Parent Company has not obtained actuarial valuation for defined benefit plans and other long term benefits as total number of employees on the Parent company's payroll were less than 10 and management believes that existing employees will not stay for long with company under the existing conditions in the Parent Company and hence, valuation is not required. Further, details of subsidiary are not available.

Accordingly current year details has been disclosed and reported as Not Available (N.A) and closing balances of Previous Year are carried forward and are not from any certified valuation.

₹ in Million

Actuarial Assumptions	Gratuity		Leave Encashment	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(a) Discount Rate	N.A	N.A	N.A	N.A
(b) Salary Escalation Rate	N.A	N.A	N.A	N.A
(c) Staff Turnover Rate	N.A	N.A	N.A	N.A
(d) Mortality Table	N.A	N.A	N.A	N.A

Notes to the Consolidated financial statements

for the year ended March 31, 2022

(i) Changes in Defined Benefit Obligation

₹ in Million

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Defined Benefit Obligation at the beginning	1.86	1.25	54.28	44.66
Current Service Cost (estimated as per Management of Parent Company)	-	0.61	-	10.22
Past Service Cost	-	-	-	-
Interest Expense	-	-	-	-
Foreign Exchange Difference	-	-	10.31	-
Benefit Payments from Employer	-	-	-	(0.60)
Remeasurements - Due to Demographic Assumptions	-	-	-	-
Remeasurements - Due to Financial Assumptions	-	-	-	-
Remeasurements - Due to Experience Adjustments	-	-	-	-
Defined Benefit Obligation at the end	**1.86**	**1.86**	**64.59**	**54.28**

(ii) Change in Fair Value of Plan Assets

₹ in Million

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Fair Value of Plan Assets at the beginning	-	-	-	-
Employer Direct Benefit Payments	-	-	-	-
Benefit Payments from Employer	-	-	-	-
Fair Value of Plan Assets at the end	**-**	**-**	**-**	**-**

(iii) Components of Defined benefit cost

₹ in Million

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Service Cost (estimated as per Management of Parent Company)	-	0.61	-	10.22
Past Service Cost	-	-	-	
Foreign Exchange Difference	-	-	10.31	
Total Service Cost	**-**	**0.61**	**10.31**	**10.22**
Interest Expense on Defined benefit obligation	-	-	-	
Total Net Interest Cost	**-**	**-**	**-**	**-**
Reimbursement of Other Long Term Benefits	-	-	-	-
Defined Benefit Cost included in the Statement of Profit and Loss	**-**	**0.61**	**10.31**	**10.22**
Remeasurements - Due to Demographic Assumptions	-		-	
Remeasurements - Due to Financial Assumptions	-		-	
Remeasurements - Due to Experience Adjustments	-		-	
Total Remeasurements in Other Comprehensive Income	**-**	**-**	**-**	**-**
Total Defined Benefit Cost recognised in the Statement of Profit and Loss and Other Comprehensive Income	**-**	**0.61**	**10.31**	**10.22**

Notes to the Consolidated financial statements

for the year ended March 31, 2022

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

₹ in Million

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Net Defined Benefit Liability/(Asset) at the beginning	**1.86**	**1.25**	**54.28**	**44.66**
Defined Benefit Cost included in the Statement of Profit and loss (estimated as per Management)	-	0.61	10.31	10.22
Total Remeasurements included in Other Comprehensive Income	-	-	-	-
Employer Direct Benefit Payments	-	-	-	(0.60)
Employer Direct Settlement Payments	-	-	-	-
Net Defined Benefit Liability / (Asset) at the end	**1.86**	**1.86**	**64.59**	**54.28**
	-	**-**	**-**	**-**

(v) Amounts recognized in the Balance Sheet

₹ in Million

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Defined Benefit Obligation	1.86	1.86	64.59	54.28
Fair Value of Plan Assets	-	-	-	-
Funded Status	**1.86**	**1.86**	**64.59**	**54.28**
Effect of Asset Ceiling/Onerous Liability	-	-	-	-
Net Defined Benefit Liability/(Asset)	**1.86**	**1.86**	**64.59**	**54.28**
Of which, Short term Liability	**-**	**-**	**-**	**-**

(vi) Experience Adjustments - Gratuity

₹ in Million

Particulars	2018	2019	2020	2021	2022
Defined Benefit Obligation at the end of the period	10.79	11.60	1.30	1.86	1.86
Plan Assets NA	NA	NA	NA	NA	
Surplus / (Deficit)	NA	NA	NA	NA	NA
Experience adjustments of Obligation [Gain/ (Loss)]	(8.23)	(0.82)	(2.80)	-	-
Experience adjustments on Plan Assets	NA	NA	NA	NA	NA

(vii) Maturity Profile of Defined Benefit Obligation :

Not available (N.A)

(viii)Sensitivity Analysis

Not available (N.A)

Notes to the Consolidated financial statements

for the year ended March 31, 2022

3.03 Disclosure as per Ind AS 108 " Operating Segment "

(a) The Group's operating segments are established on the basis of those components of the group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group has two principal operating and reporting segments; viz. Shipping and Coal mining, trading and logistic.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Group with following additional policies for segment reporting.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocated".

₹ in Million

(b)

Segment particulars	Shipping		Coal Mining, Trading and Logistics		Unallocated		Total Continuing Business		Discontinued Business	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Segment Revenue	-	68.50	-	3,669.30	-	-	-	3,737.80	-	-
Segment Results										
Profit/(loss) before interest, exceptional items and tax	42.40	69.70	(1.70)	260.40	(114.56)	(463.10)	(73.87)	(133.00)	-	-
Less: Interest							(132.65)	(290.79)	-	-
Profit/(loss) before exceptional items and tax							(206.50)	(423.79)	-	-
Less: Exceptional Item (Refer Note No 3.30)							-	-		
Total Profit / (Loss) Before Tax							(206.50)	(423.79)	-	-
Provision for Tax										
Current Tax							(155.80)	(15.58)	-	-
Deferred Tax							-	-		
Net Profit / (Loss)							**(362.30)**	**(439.37)**	**-**	**-**
Other Information										
Assets	2,065.47	2,266.21	4,389.45	5,278.70	4,644.50	4,641.79	11,221.22	12,308.49	0.82	0.08
Liabilities	12,924.44	13,150.40	3,606.90	3,915.84	7,916.11	7,643.82	28,115.40	28,318.46	1.60	1.60
Capital Expenditure	-	-	28.60	25.19	16.40	6.86	45.00	32.06	-	-
Depreciation	-	-	-	393.07	1.00	1.40	1.00	394.47	-	-
Impairment	(48.09)	(18.60)	-	-	-	284.90	(48.09)	266.30	-	-

(c) The Segment reporting for the year ended March 31, 2022 may have information which may not be accurate on account of non-availability of certain financial statement / financial results / financial information of the subsidiaries.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

3.04 Additional information pursuant to Para 2 to General Information for the Preparation of Consolidated Financials Statements*

₹ in Million

Sr. No	Name of Entity	Relationship	Net assets i.e. Total assets minus Total Liabilities		Share in profit/(loss) for the year		Share in other comprehensive income/ (loss) for the year		Share in total comprehensive income/ (loss) for the year	
			% of consolidated net assets	Post Elimination Amount (in million)	% of consolidated Profit/(loss)	Amount (in million)	% of Consolidated other comprehensive income	Amount (in million	% of Consolidated total comprehensive income	Amount (in million)
1	Mercator Limited	Parent Company	39.05%	(5,003.81)	-11.89%	23.22	0.00%	-	-11.89%	23.22
2	Mercator Oil and Gas Limited	Subsidiary – Indian	22.44%	(2,875.51)	106.61%	(208.31)	0.00%	-	106.61%	(208.31)
3	Mercator Petroleum Limited	Subsidiary – Indian	10.39%	(1,331.11)	0.00%	-	0.00%	-	0.00%	-
4	Mercator Offshore Logistic Private Limited (Dredging Private Limited)	Subsidiary – Indian	0.16%	(20.21)	0.01%	(0.02)	0.00%	-	0.01%	(0.02)
5	Oorja Resources India Private Limited	Subsidiary – Indian	0.00%	0.16	0.00%	-	0.00%	-	0.00%	-
6	Mercator Oceantransport Limited	Subsidiary – Indian	0.00%	0.34	0.00%	-	0.00%	-	0.00%	-
7	Mercator International Pte Ltd@	Subsidiary – Foreign	37.48%	(4,803.20)	0.00%	-	0.00%	-	0.00%	-
8	Oorja Holdings Pte Ltd	Subsidiary – Foreign	-1.84%	235.14	-4.20%	8.20	0.00%	-	-4.20%	8.20
9	Offshore Holdings Company Pte Ltd	Subsidiary – Foreign	0.77%	(98.10)	0.00%	-	0.00%	-	0.00%	-
10	Mercator Energy Pte Ltd @	Subsidiary – Foreign	13.77%	(1,764.60)	0.00%	-	0.00%	-	0.00%	-
11	Mercator Offshore Assets Holding Pte Ltd	Subsidiary – Foreign	5.25%	(672.76)	0.00%	-	0.00%	-	0.00%	-
12	Panther Resources Pte Ltd	Subsidiary – Foreign	-4.72%	604.93	0.05%	(0.10)	0.00%	-	0.05%	(0.10)
13	Oorja 1 Pte Ltd	Subsidiary – Foreign	0.00%	(0.19)	-0.06%	0.11	0.00%	-	-0.06%	0.11
14	Oorja (Batua) Pte Ltd	Subsidiary – Foreign	-1.75%	224.26	9.47%	(18.50)	0.00%	-	9.47%	(18.50)
15	MCS Holdings Pte Ltd@	Subsidiary – Foreign	2.72%	(349.11)	0.00%	-	0.00%	-	0.00%	-
16	Oorja Mozambique Minas Limitada	Subsidiary – Foreign	0.00%	(0.04)	0.00%	-	0.00%	-	0.00%	-
17	Mercator Offshore (P) Pte Ltd	Subsidiary – Foreign	2.00%	(256.50)	0.00%	-	0.00%	-	0.00%	-
18	PT Karya Putra Borneo**	Subsidiary – Foreign	-12.59%	1,613.24	0.00%	-	0.00%	-	0.00%	-
19	Broadtec Mozambique Minas Limiteda	Subsidiary – Foreign	0.01%	(1.34)	0.00%	-	0.00%	-	0.00%	-
20	PT Oorja Indo Petangis Three	Subsidiary – Foreign	0.00%	0.33	0.00%	-	0.00%	-	0.00%	-
21	PT Oorja Indo Petangis Four	Subsidiary – Foreign	-0.03%	3.51	0.00%	-	0.00%	-	0.00%	-
22	PT Indo Perkasa	Subsidiary – Foreign	-3.04%	389.30	0.00%	-	0.00%	-	0.00%	-
	Non Controlling Interest		-10.08%	1,291.20	0.00%	-	0.00%	-	0.00%	-
	Total			**(12814.08)**		**(195.41)**		**0.00**		**(195.41)**

@ The Companies have been placed under voluntary liquidation / strike off in accordance with local regulations subsequent to reporting period

** Consolidated based on criteria of control over management and operations

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

Notes to the Consolidated financial statements

for the year ended March 31, 2022

3.05 Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) as at March 31, 2022 Rs. Nil (Previous Year Rs. Nil).

3.06 Contingent Liabilities

Claims against the Group not acknowledged as debts in respect of the following items

₹ in Million

	As at	
	March 31, 2022	March 31, 2021
Income Tax Demands for various Assessment Years disputed by the Group *	875.60	639.90
Service Tax Demands disputed by the Group	662.40	662.40
Legal Cases - Shipping	81.50	81.50
Legal Cases - Dredging	468.40	468.40
Contractual claims	443.30	443.30
	2,531.20	**2,295.50**

* Against the above the Parent Company has already paid Rs. 593.40 million (Previous Year Rs. 593.40 million)

Guarantees :

Counter guarantee issued by Parent Company for guarantees obtained from bank (net of margin)	52.58	52.58

(i) It is not practical for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums / authorities. The reduction in guarantees are mainly on account of restatement of foreign guarantees and closure of guarantees.

(ii) The Group's pending litigations comprise of claims pertaining to proceedings pending with Income Tax, Service Tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions were required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(iii) Income Tax Receivables and relative status of assessment / demands / refunds

Current Tax Assets (net) as on March 31, 2022 includes Rs. 691.90 million which has not been settled due to ongoing tax assessment for the various Assessment Years from AY 2003-04 to AY 2018-19 against which net tax demand of Rs. 631.80 million has been received and contested by the Company. The management is taking steps to resolve the cases with the income tax department.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

fined Benefit Liability/(Asset) reconciliation

₹ in Million

Particulars	As at March 31, 2022		As at March 31, 2021	
Income Tax Assets / Receivable	1,240.18		1,240.00	
MAT Credit entitlement	24.41		24.41	
Total Income Tax Receivable		**1,264.59**		**1,264.41**
income Tax Liabilities / Provision		(704.84)		(716.10)
Income Tax Assets (Net)		**559.75**		**548.31**
Comprises of				
(a) Refund granted but deposited in protest against existing appeals at various forums	465.39		465.39	
(b) Unutilised MAT Credit	24.41		24.41	
(c) Refund claimed under scrutiny assessment	58.62		56.11	
(d) TDS of the current financial year	0.18		2.40	
Income Tax Assets (Net)	11.15	559.75		548.31
(includes assets (net) - AY 2003-04 to AY 2018-19	691.90		691.90	
Contingent Liabilities (AY 2003-04 to AY 2018-19)		631.80		631.80

3.07 Parent Company

A Corporate Insolvency Resolution Process (CIRP) has been initiated against the Mercator Limited (hereinafter referred as "Holding Company" / "Parent Company" / "Company") vide an order no. CP(IB) 4404/2019 dated February 08, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Pursuant to the order, the powers of the Board of Directors stand suspended and are vested with Mr. Girish Siriram Juneja, who had been appointed as Interim Resolution Professional (IRP) by the NCLT and later confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC). As per requirements of the 'Code' and 'CIRP Regulations', the Resolution Professional had invited expression of Interest (EoI) from prospective Resolution Applicants (PRAs) to submit the Resolution Plan for the Company. The first round of Invitation of EoI was published on April 24, 2021 and the timelines to submit EoI were extended as approved by Committee of Creditors (CoC). Last date to submit EOI as per second round of Invitation of EoI (published on May 18, 2021) was on June 2, 2021 and the Resolution Professional had declared the final list of Resolution Applicants on July 7, 2021. The last date for submission of resolution plan was August 31, 2021, which was thereafter extended to September 6, 2021 basis the request received from the PRAs. The application seeking exclusion of the time period of 88 days i.e. from April 4, 2021 to June 30, 2021 from the overall CIRP period (due to the second wave of Pandemic and various restrictions imposed by Government of Maharashtra) was heard and allowed by the NCLT on August 9, 2021. The CIRP period was extended to November 3, 2021. Pending outcome of the CIRP, financial statements of the Company have been prepared on a going concern basis.

Further, since certain Resolutions Plans were in hand which had to be put before CoC for voting, an application seeking extension of the CIRP time period by 90 days was heard and allowed by NCLT on November 11, 2021 whereby the CIRP period was extended up to February 1, 2022.

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

Pending decision by NCLT, the financial statements of the Company have been prepared on a going concern basis.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

3.08 Disclosure of Going Concern Assumption

The financial statements of the Group have been prepared on a going concern basis by the management. The Group has substantial negative retained earnings as at March 31, 2022, wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net-worth. Further, the Parent Company had since disposed-off the substantial part of the Property, Plant and Equipment (PPE). As on March 31, 2022 the Parent Company has only two non-operating dredgers which have been arrested by operational creditors. The current liabilities substantially exceed the current assets and large sums of money receivable are in dispute, which is not readily realisable. As referred to in Note 3.07, a CIR process has been initiated by Hon'ble NCLT, Mumbai. It may be further noted that in consonance with the stipulations contained in Section 14 of the Code, a moratorium has been declared in the aforesaid order passed by the Hon'ble NCLT, inter alia, prohibiting the following:

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

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

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

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

The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable resolution plan by the prospective investor. The Resolution Plans submitted by the Resolution Applicants (RAs) were placed before the Committee of Creditors for their consideration and voting but failed to receive the requisite votes in terms of the provisions of the code. Accordingly, an application for liquidation has been filed in terms of section 33 of the Code, which is pending adjudication by the NCLT. Further the RP is required to make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern.

The management/RP of the Parent Company is of the view that they are making best efforts to achieve favourable order in ongoing litigations in order to protect the value of its assets and is making efforts to revive operations. Further, the Parent Company believes that the claims receivable for Rs. 15800 million at the group level could, if realised, provides a reasonable sufficient opportunity for the repayment of loans from lenders and provide required resources for the development of business opportunities for the revival.

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

Under Ind AS 10 an entity shall not prepare its financial statements on a going concern basis if management determines after the reporting period date either that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to do so.

All operations have ceased in the case of Indian Subsidiaries of the Parent Company, while the coal business continues to generate revenues, the Singapore High Court has ordered a Liquidation of MIPL which is the beneficial owner of the coal business through its step down subsidiaries. MCS holdings is also under liquidation. In all such cases, the management has not prepared the financial statements on a going concern. However, in view of non-availability of liquidation values of assets and liabilities of such subsidiaries, the same are not stated at fair values."

3.09 (a) In case of a material step-down subsidiary, PT Karya Putra Borneo (KPB) - Operating Coal mines in Indonesia, a minority shareholder had raised a frivolous claim with respect to the entire shareholding of the said subsidiary Company. The subsidiary has received favourable orders from the relevant Courts in this matter and the formalities for restoring the shareholding in the public records is in process.

(b) Pursuant to the requirement of Listing Regulation, the Group has not appointed one of the Independent Director of

Notes to the Consolidated financial statements

for the year ended March 31, 2022

Parent Company on the board of the material subsidiaries incorporated in India and Outside India. In case of PT Karya Putra Borneo, due to litigation and block of corporate profile, unless MoLHR allowed, such change of Constitutional Documents is not permitted.

3.10 The Parent Company has an insurance claim amounting to Rs. 542.80 million, being the balance amount payable against a total loss claim (Rs. 2252.90 million) on a vessel pertaining to the year 2012≈13, which has been considered fully recoverable by the management and is supported by a legal opinion. The litigation is up for final hearing at National Commission, New Delhi and the matter was last listed for final hearing on March 21, 2022 but the matter was not heard on that date and is posted for hearing on 21-9-2022.

3.11 Regarding Mercator Oil & Gas Limited ('MOGL'), a material subsidiary:

a. MOGL was engaged in EPC project awarded by ONGC for conversion of their Mobile Offshore Drilling Unit (MODU) 'Sagar Samrat' into a Mobile Offshore Production Unit (MOPU). On September 25, 2018, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project after completing almost 96% of the project. MOGL has since initiated arbitration proceedings against ONGC and appointed its Arbitrator and a Tribunal was formed. The proceedings are underway. In addition to above, based on the order of Hon'ble Bombay High Court dated July 29, 2019, ONGC had invoked Bank Guarantee amounting to Rs. 1421.90 million which had been accounted in the books of the accounts of MOGL in the previous year. Based on the progress of the arbitration proceedings, basis the latest available information with the management and discussion with the legal counsel earlier, the management is hopeful of a positive outcome in the claim of Rs. 19,470 million filed against ONGC. Accordingly, the Company made 50% impairment of Rs. 28.60 million for the year ended March 31, 2022 towards accrued interest on loan given to MOGL.

b. Further, one of the operational creditors of one of the material subsidiary has filed petition u/s 9 of IBC 2016 wherein the NCLT bench had kept the status as "Reserved for Order. The said application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against the material subsidiary of the Company, Mercator Oil and Gas Limited (MOGL) was admitted vide the order of NCLT dated June 30, 2021 (Order) and subsequently confirmed as a Resolution Professional (RP) by the Committee of Creditors (CoC) in their meeting held on July 27, 2021. In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. "

c. In terms of an update received from RP, the arbitration tribunal had provided revised schedule of recording of evidence from October 18, 2021 to October 23, 2021 and final hearing from December 6, 2021 to December 11, 2021. ONGC with a view of postponing the trial, filed a writ petition in Bombay High Court, challenging Tribunal's various orders for timely completion of October,2021 Trial. On 18 October 2021, the Tribunal convened to commence the October Trial. However, ONGC was not present in the trial. On 19 October 2021, the MOGL was served with an un-numbered writ petition to be filed by the ONGC before the Bombay High Court ("Writ Petition"), inter alia seeking a direction to the Tribunal not to proceed with the October Trial till such time as the NCLT decides the Parties' applications, a stay of this Arbitration until final disposal of the Writ Petition, and interim and ad interim reliefs in this regard. The hearing on this petition is now fixed for 15 December 2021. ONGC appeared on the 22nd October, 2021 and requested for new dates for October Trial. Despite MOGL's objections, new dates were for hearing were give as under:

(a) 10, 20 -22 December, 2021 for Respondent's opening submissions and for completing cross-examination witnesses of both parties;

(b) 17-20 January, 2022 for Claimant's oral submissions

(c) 14-17 February 2022 for Respondent's oral submissions

(d) 18 February, 2022 for Claimant's oral submissions in rejoinder.

Further, RP has last updated that the last date of submission of Expression of Interest (EOI) by Prospective Resolution Applicants (PRAs) was October 13, 2021. The Resolution Plan was placed before CoC. However, the plan did not

Notes to the Consolidated financial statements

for the year ended March 31, 2022

secure a majority vote of CoC and accordingly an application for approval of liquidation of the company has been filed with Honorable NCLT, Mumbai.

Pursuant to the public announcement dated June 30, 2021 in relation to invitation for submission of claims against MOGL, the Company has submitted its claim on MOGL for outstanding debt as on July 15, 2021 for a total claim of Rs. 2227.20 million comprising of Term Loan for a total amount of Rs.942.10 million and corporate guarantee issued to Axis Bank Ltd. (for and in behalf of MOGL) for a total amount of Rs. 1285.10 million. The Company has received an acknowledgement of submission of claim from the IRP of MOGL who have informed that the Company being a related party of MOGL shall not have any right of representation, participation and voting in a meeting of the CoC. Status of the claim as updated by the Resolution Professional is that the Claim of Mercator Ltd. as a financial creditor for unsecured loans (without voting rights) for Rs. 2227.20 million have been admitted provisionally by the Resolution Professional for Rs. 942.10 million. The balance amount of claim for Corporate Guarantee executed by Mercator Limited in favour of Axis Bank Limited for various credit facilities by Axis Bank to Corporate Debtor (Rs. 1285.10 million) is admitted as contingent.

A claim of Rs. 19,470 million (USD 262 Mn) has been made by the subsidiary company on ONGC. In the view of the management and based on legal advice, an estimated amount of INR 12880 million (USD 173.36 Mn) could probably be awarded as payable to the Company. However, any impact of the settlement will be known only after completion of the ongoing arbitration proceedings.

d. MOGL has an ongoing dispute with its consortium partner M/s Gulf Piping Co Ltd (GPC) and based on an order of the Abu Dhabi Court a final liability of USD 5.7Mn (Rs.423.50 million) along with interest at 5% interest p.a. is payable to them. GPC had obtained stay order from local UAE court restraining Abu Dhabi Commercial Bank (ACDB) from honouring Performance Guarantee. In relation to invocation of performance guarantee provided to GPC was decided by the Supreme Court of UAE and the Supreme Court Order was received in Arabic language. It was informed by the law firm which was associated with matter before commencement of CIRP) that the order in the matter of ACDB in relation to invocation of performance guarantee provided to GPC was in favour of MOGL and it was pending for translation to be received. The lender of MOGL is in the process of initiating a litigation for invocation of Bank Guarantee against ACDB.

3.12 With respect to Mercator Petroleum Limited (MPL), which is a material subsidiary -

a. In October, 2019, MPL has received notice of termination from the Ministry of Petroleum and Natural Gas (MOPNG) in compliance with Production Sharing Contract (PSC) for its non-operative oil Block (CB-3) and also has demanded costs and other dues to be determined as per terms and conditions of PSC. The subsidiary is confident of defending the amounts claimed by Directorate General of Hydrocarbon (DGH). In event of rejection of subsidiary's contention, basis the latest available information with the management, the estimated financial impact would be approx. Rs.358 million.

b. The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against one of the material subsidiaries of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order who has taken charge under the directions of the Committee of Creditors. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. In terms of the last update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had floated an Expression of Interest and had received interest from Public and Private Players in the process. Basis the latest available information with the management, the Request for Resolution Plans (RFRP) has been issued to the shortlisted Prospective Resolution Applicants (PRA) and they are required to submit their Resolution Plans in October 2021 as per the process laid down under the Code. Prospective Resolution Applicants (PRAs) have expressed their interest in the Oil Assets of MPL. The process of due diligence by these entities is currently going on. However, due to a pending litigation filed in NCLT by a financial creditor of the Parent Company and a consequent stay granted by NCLAT, the timelines under the Code stand extended.

c. During the year ended March 31, 2022, the Company has provided additional impairment of Rs.47.10 million for the year ended March 31, 2022 towards accrued interest on loan to Mercator Petroleum Limited (MPL) and Rs.19 million

Notes to the Consolidated financial statements

for the year ended March 31, 2022

for the year ended March 31, 2022 towards interest accrued on 6% optionally convertible debentures issued by MPL.

3.13 In view of ongoing default in repayment of loans from Banks and Financial Institutions / Non≈ Banking Finance Companies in September 2018 and onwards, as on March 31, 2020 the managerial remuneration paid to a promoter director was in excess of the prescribed limits, to the extent of Rs. 16.20 million, as per Companies Amendment Act 2017 (effective from 12th September 2018). The excess pay out had been reversed and the same was recoverable from him as on March 31, 2020. In view of the expert opinion obtained by the Parent Company during the previous year, the Parent Company has adjusted entire amount recoverable against the payment made by the promoter director on behalf of the Company of Rs. 10 million under the settlement agreement and amount of Rs. 6.20 million towards other outstanding payables by the Parent Company towards reimbursements.

3.14 As per the Code, the RP has to receive, collate, verify and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the COC. The RP is in the process of collating and verifying such claims, as and when they are received, and shall subsequently admit such verified claims against the Company as per the Code. Pending admission of the claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the audited financial results. Principal portion of loans from financial creditors in the books of the Corporate Debtor have been restated with the amounts admitted by RP as on Insolvency Commencement Date ("ICD date") (Rs.9206.50 million). Total amount of claims towards principal dues of the financial creditors as on March 31, 2022 stand as under:

Particular	Rs. in million*
(a) Principal amount of Loans admitted by RP	9206.5
(b) Claims under verification by RP/Not filed	Nil
Total*	**9206.5**

*In addition, Contingent Claims arising out of Corporate Guarantee issued by the Company, has been admitted by RP for Bank of Baroda (Principal amount of Rs. 992.60 million plus Interest amount of Rs. 334.0 million aggregating to Rs. 1326.60 million) and DBS Bank India Ltd. (Principal amount of Rs. 216.60 million and interest of Rs. 20.80 million aggregating to Rs. 237.40 million).

3.15 In terms of Regulation 33(3)(h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall ensure that, for the purposes of consolidated financial statement, at least eighty percent of each of the consolidated revenue, assets and profits, respectively, shall have been subject to audit in case of audited results. The status of consolidation of financial statements of all subsidiaries of the Holding Company is as under:

(a) In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) vide order of NCLT dated August 31, 2020, the financial statements / financial results / financial information of Mercator Petroleum Limited, one of the material subsidiaries of the Company for the year ended March 31, 2022 have not been made available to the Company by IRP of the said material subsidiary. In view of this, financial Statements / financial results / financial information available for the period ended March 31, 2021, which are also neither management / RP certified nor audited, have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and year ended March 31, 2022.

(b) In view of initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) vide order of NCLT dated June 30, 2021, unsigned unaudited financial statements / financial results / financial information of Mercator Oil and Gas Limited, one of the material subsidiary of the Company, for the nine months period ended December 31, 2021 have been made available to the Holding Company by IRP of the said material subsidiary and the same have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the year ended March 31, 2022. The said financial information has neither been audited/reviewed nor has been certified by the management/IRP.

(c) The financial statements / financial results / financial information of Oorja Resources India Pvt. Ltd, Mercator Offshore Logistics Pvt. Ltd. and Mercator Oceantransport Limited for the quarter ended June 30, 2021, which have neither been certified by the management nor have been audited / reviewed, have been considered for the purpose of preparation of Consolidated Financial Results basis the financial information available with the Holding Company for the said period.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

However, the said subsidiaries have not provided their financial statements / financial results / financial information for the year ended March 31, 2022 and in view of the same, the financial Statements / financial results / financial information available for the period ended June 30, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and year ended March 31, 2022.

(d) The financial statements / financial results / financial information of 4 nos. of Singapore subsidiaries i.e. Oorja 1 Pte. Ltd., Oorja Batua Pte. Ltd., Oorja Holdings Pte. Ltd. and Panther Resources Pte. Ltd. for the half year ended September 30, 2021 have neither been certified by the management or liquidator nor have been audited / reviewed and the same have been considered as provided by the liquidators of Mercator International Pte. Ltd., Singapore for the purpose of preparation of Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2021. Further, the said subsidiaries have not provided their financial Statements / financial results / financial information for year ended March 31, 2022. In view of the same, the financial Statements / financial results / financial information available for the period ended September 30, 2021 have been considered for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and year ended March 31, 2022.

(e) MCS Holdings Pte. Ltd. (in Liquidation) is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 16, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators of MCS Holdings Pte. Ltd. Financials Statements / financial results / financial information of MCS Holdings Pte Ltd. (MCS) (in liquidation) have not been provided to the Company by the liquidators of such subsidiaries. In view of this, financial Statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and year ended March 31, 2022."

(f) One of the financial lenders of the Wholly Owned Foreign Subsidiary had recalled loan in the month of May 2019 and further to that, have filed case in Singapore High Court for recovery of their outstanding dues. Mercator International Pte. Ltd. (in Liquidation),the said material subsidiary of the Company at Singapore, is currently under liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators of Mercator International Pte. Ltd. Financials Statements / financial results / financial information of Mercator International Pte Ltd. (MIPL) (in liquidation) have not been provided to the Company by the liquidators of such subsidiaries. In view of this, unaudited financial Statements / financial results / financial information available as on March 31, 2021 have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and year ended March 31, 2022.

(g) Financials Statements / financial results / financial information of rest of the Singapore subsidiaries/step down subsidiaries have not been made available to the Company. In view of this, financial Statements / financial results / financial information available as on March 31, 2021 or last available have been considered for the purpose of preparation of the Consolidated Financial Results of the Company for the quarter and year ended March 31, 2022.

(h) Audited / Reviewed or management certified Financial Results of all Indonesian subsidiaries (step down subsidiaries of MIPL) for the quarter and year ended March 31, 2022 have not been provided to the Parent Company and hence the audited financial Statements / financial results / financial information available as on March 31, 2021 (last available) have been carried to March 31, 2022 for the purpose of preparing the Consolidated Financial Results of the Company for the quarter and year ended March 31, 2022.

As none of the audited / reviewed Financial Statement / financial results / financial information of the Subsidiaries were available as on March 31, 2022, the Company could not comply with the aforesaid regulations.

Ind AS 110 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The Interim Resolution Professional (IRP) for the Indian Subsidiary Mercator Petroleum Limited and Resolution Professional (RP) for another Indian Subsidiary Mercator Oil and Gas Limited have been providing business updates from time to time. Lenders of Mercator Petroleum Limited are also a part of the CoC of the Company by virtue of the Corporate Guarantee issued by the Company while there is a common lender of Mercator Oil and Gas Limited and the Company. In view of the management, the required level of control is available with the Company with respect to the subsidiaries/step down subsidiaries in India and overseas.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

3.16 All of the directors on the Board of Directors of the Parent Company are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.

3.17 The Group has not been able to obtain balance confirmations from various debtors, loans and advances from banks and others, current accounts from banks, trade and other payables. Accordingly, adjustments if any arising out of reconciliation with these parties is not readily available. The Group has carried out its internal assessment and accordingly provided/ written off/ back certain receivables/ payables/ loans and advances. The Group has carried out its internal assessment and accordingly provided/ written off/ back certain receivables/ payables/ loans and advances, wherever necessary. Further, the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts as on March 31, 2022 are under reconciliation with the available regulatory records and any impact of the same is not known as on the date of Financial Statements.

3.18 Compliance under section 134 and 149 of Companies Act 2013:

(a) In case of MPL, Independent Director, Chief Financial Officer and Company secretary had resigned during the year ended March 31, 2020. The management has not filled the said vacancy until date of reporting.

(b) In case of MOGL, Independent Director had resigned during the year ended March 31, 2020. The management has filled the said vacancy. Mr. Jagmohan Talan and MRs. Ritu Vats were appointed as Additional Directors (Non-Executive and Independent) of the Company with effect from September 26, 2020. Further, Mr. H K Mittal resigned as a Director with effect from September 26, 2020 citing personal reasons.

3.19 During the financial year 2020-21, the Parent Company and its promoter director have entered into settlement agreement by way of a Memorandum of Understanding (MoU), to settle the dues with a lender with a principal liability of Rs. 60 million at an amount of Rs. 10 million. As per the terms of the agreement executed on June 18, 2020, the same has been discharged by the promoter director of the Company, being the guarantor under the credit facility and the resultant gain of Rs. 50 million arising on extinguishment of liabilities to the company has been accounted as 'Other Income' in the previous year. The interest payable to the lender as on the date of execution of MoU amounting to Rs.24.4 million (including Rs. 19 million as on March 31, 2020 which has been reversed and Rs.5.4 million pertaining to June 2020 which has not been accounted) has been reversed / forgone. The reversal has been included in "Other Income".

3.20 MT Nerissa (the Vessel) was operated in a pool arrangement with Seawolf (Heidmar Pool). There was a delay in discharge of cargo at the two discharge ports of Qingdao and Tianjin of PRC. The cargo could finally be discharged only in April 2019. The delay in discharge of cargo at both the discharge port could give rise to potential cargo claim from the ultimate receiver which will ultimately fall back through the Pool on the Company. The Company's agreement with Pool is subject to the Hague-Visby Rules or the Hague Rules or the Hamburg Rules. The Rule provides a period of one year from the date of discharge within which claims can be made. The claim will be time barred unless proceedings have been started within 12 months from the date of discharge. The Company had estimated the claim to be in the range of Rs. 98.80 million (USD 1,308,412) and being conservative management had provided for the same in earlier year. However, vide a settlement agreement dated August 12, 2020 all the parties have settled the claim at USD 50,000 (Rs. 3.70 million) and the same has been accounted as Other Income in the for the year ended March 31,2021

3.21 During the previous year ended March 31, 2019, Credit Analysis & Research Limited (CARE) had downgraded the rating assigned to the Holding Company, MOGL and MPL for short term credit facilities from CARE A4 to CARE D, which was again revised on July 11, 2019 from CARE D to CARE D (ISSUER NOT COOPERATING).

Further, in respect of Loans outstanding aggregating to Rs. 16140.20 million as on March 31, 2022 the Group had committed breach of financial covenants including default in interest and instalment payments due to various Banks / financial institutions in the previous year(s), which are still continuing resulting in several banks / FIs recalling their loans.

3.22 One of the NBFC lender has invoked 2,55,00,000 No shares of promoters on July 2, 2020. The Group had consequently adjusted in its books the outstanding due in part amounting to Rs. 39.50 million.

3.23 Promoters and Promoter Groups have sold 1,20,67,225 No. of shares in the year ended March 31, 2022. This has brought down the shareholding of the promoters in the Company to 6.84% as on March 31, 2022.

3.24 During the financial year 2020-21, the Parent Company had entered into settlement agreements with approval of NCLT with few operational creditors amounting to Rs. 39.40 million which were to settled to the tune of Rs. 15.70 million.

Notes to the Consolidated financial statements
for the year ended March 31, 2022

However, the balance commitment is yet to be discharged by the Parent Company.

3.25 One of the financial lenders of the Wholly Owned Foreign Subsidiary had recalled loan in the month of May 2019 and further to that, they have filed case in Singapore High Court for recovery of their outstanding dues. The said subsidiary is currently undergoing the liquidation process pursuant to an Order of the High Court of the Republic of Singapore dated April 9, 2021 and M/s Lim Soh Yen (NRIC No. S7672591H) and Lynn Ong Bee Ling Care (NRIC No. S7932085D) of Auctus Advisory Pte. Ltd. have been appointed as joint and several liquidators.

3.26 During the year ended March 31, 2021, the management of respective companies have placed companies under voluntary liquidation and appointed liquidator under applicable laws as under –

(a) Mercator Energy Pte Ltd (the company is a plaintiff for case filed by ICICI bank Limited at Singapore being guarantor and company has informed to court for its voluntary liquidation. Final observation of High Court of Singapore on the same is pending).

(b) Mercator Offshore (P) Pte Ltd (company has also withdrawn scheme of arrangement filed for payment of creditors linked with contingency outcome of SSCP arbitration)

(c) Mercator Offshore Asset Holdings Pte Ltd

(d) Marvel Value International Limited, British Virgin Island."

3.27 During the previous year, the parent Company had received letter from the National Stock Exchange of India Limited (“NSE”) citing non – compliance of the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires that the Board of Directors shall comprise of not less than six directors.

As on March 31, 2022, there were 3 directors on the Board of Company including a woman director, which has been intimated to NSE as well. It was also informed that the strength of independent directors is more than the executive directors and the Company was making best efforts to be compliant of the regulation.

During the year under review, Mr. Jagmohan Talan (DIN: 08890353), Ms. Ritu Vats (DIN: 08890591) and Mr. Harish Kumar Mittal (DIN: 00007690) continued to be the Directors of the Company. Further, Mr.Shalabh Mittal tendered his resignation vide email dated June 21, 2021 as Chief Executive Officer (CEO) and Key Managerial Personnel of the Company with effect from June 21, 2021 citing personal reasons.

Changes in directors' during the previous year:

Ms.Ameeta Trehan, an Independent Woman Director on the Board of Directors of the Company, has resigned with effect from September 1, 2020, citing personal reasons. Thereafter, Mr. Chetan Desai, Mr.M Agrawal and Mr.Anil Khanna, Non≈Executive Independent Directors of the Company resigned with effect from September 25, 2020, September 29, 2020 and October 1, 2020 respectively citing personal reasons.

However, since the Company is currently undergoing the Corporate Insolvency Resolution Process and in view of RP, the acceptance of the resignations tendered by the directors and CEO is subject to the relevant provisions of the Insolvency and Bankruptcy Code, 2016.

3.28 Related Party Disclosures:

(Compiled basis the information available with the management)

A List of Related Parties

I Key Management Personnel

A Parent Company

1 Mr. H.K Mittal - Executive Chairman

2 Mr. Shalabh Mittal - Chief Executive Officer - Mr Shalabh Mittal tendered his resignation via email dated June 21, 2021 as Chief Executive Officer and Key Managerial Personnel of the Company with effect from June 21, 2021 citing personal reasons. However, the Company is currently undergoing the Corporate Insolvency Resolution Process and the acceptance of the resignations tendered is subject to the relevant provisions of the Insolvency and Bankruptcy Code, 2016

Notes to the Consolidated financial statements
for the year ended March 31, 2022

3 Mr. Rajendra Kothari - Chief Financial Officer upto 28th Feb, 2022
4 Mr. Gurpreet Malhi - Chief Operating Officer (upto. December 31, 2020)
5 Mr. Mangesh M. Deokar Bhosale - Chief Financial Officer effective from 1st March, 2022

B Subsidiary Companies *

1 Mr. Adip Mittal
2 Ms. Shruti Mittal
3 Mr. Santosh Kadam
4 Mr. Bantwal Subraya Prabhu
5 Mr. Bharat Kumar Jain
6 Mr. Radhey Shyam Bansal
7 Mr. Sagar Vats
8 Mr. Vinay Kumar Malik
9 Mr. Jaikishan Naraindas Dodani
10 Mr. Kennedy Prakash Nanik

II Enterprises over which Key Management Personnel exercise significant control

1 Ankur Fertilizers Private Limited
2 AHM Investments Private Limited
3 MHL Healthcare Limited
4 Prem Punita Foundation (India)- Charitable Trust
5 HK Sons Realtors Private Limited
6 Premputli Realtors Private Limited
7 Sisouli Realtors Private Limited
8 Vaitarna Marine Infrastructure Limited
9 Rishi Holding Private Limited
10 Urban Pod Private Limited
11 Whosejewellery Marketplace Portal LLP
12 Oilmax Energy Private Limited
13 Vector Shipping Services Private Limited
14 Target Ship Management India Private Limited
15 Indian National Shipowner Association
16 Mac Maritime Training and Research Institute
17 Harish Mittal Family Trust
18 Adip Mittal Family Trust

III Ressolution Professional

Mr. Girish Siriram Juneja

* The above information is basis the last update available with the Company pertaining to all the subsidiaries and hence may not be accurate on account of non availability of information from subsidiaries.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

B. Details of transactions with the related parties

₹ in Million

Name of the Transaction*	Key Management Personnel (KMP)		Enterprises over which Key Management Personnel exercise significant control		Ressolution Professional		Total	
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
Expenses/liability incurred repaid/ incurred on company behalf								
Mr. H.K Mittal	-	5.60	-	-	-	-	-	5.60
Total	**-**	**5.60**	**-**	**-**	**-**	**-**	**-**	**5.60**
Professional Fees (including reimbursement including out of pocket expenses) paid to Ressolution Professional								
Mr. Girish Siriram Juneja	-	-	-	-	2.41	0.43	2.41	0.43
Total	**-**	**-**	**-**	**-**	**2.41**	**0.43**	**2.41**	**0.43**
Shares pledged for loan against shares								
Mr. H.K Mittal	-	0.24	-	-	-	-	-	0.24
AHM Investments Private Limited	-	-	-	7.20	-	-	-	7.20
Total	**-**	**0.24**	**-**	**7.20**	**-**	**-**	**-**	**7.44**
Invocation of pledged shares of Promoters								
Mr H K Mittal	-	17.20	-	-	-	-	-	17.20
Mrs Archana Mittal	-	10.40	-	-	-	-	-	10.40
AHM Investments Private Limited	-	-	-	11.90	-	-	-	11.90
Total	**-**	**27.60**	**-**	**11.90**	**-**	**-**	**-**	**39.50**
Remuneration paid to key Management Personnel #								
Mr Rajendra Kothari	2.80	6.30	-	-	-	-	2.80	6.30
Mr Mangesh M. Deokar Bhosale	0.15	-	-	-	-	-	0.15	(0.01)
Mr Gurpreet Malhi	-	10.90	-	-	-	-	-	10.90
Total	**2.95**	**17.20**	**-**	**-**	**-**	**-**	**2.95**	**17.20**
Outstanding Balances as on March 31, 2022								
Loan from Director and relative of directors								
Mr.H.K.Mittal	131.90	131.90	-	-	-	-	131.90	131.90
Mrs. Archana Mittal (resigned as director dated July 3, 2019)	29.90	29.90	-	-	-	-	29.90	29.90
Total	**161.80**	**161.80**	**-**	**-**	**-**	**-**	**161.80**	**161.80**
Personal Guarantee given by Key Managerial Personnel / relative of director								
Mr H K Mittal	1,925.82	1,925.82	-	-	-	-	1,925.82	1,925.82
Mrs Archana Mittal	165.00	165.00	-	-	-	-	165.00	165.00
AHM Investment Private Limited	-	-	165.00	165.00	-	-	165.00	165.00
Mr Shalabh Mittal	1,000.00	1,000.00	-	-	-	-	1,000.00	1,000.00
Total	**3,090.82**	**3,090.82**	**165.00**	**165.00**	**-**	**-**	**3,255.82**	**3,255.82**
C. Compensation of key management personnel of the company								
Short Term employee benefits							2.95	17.20
Total compensation of key management personnel							**2.95**	**17.20**

Notes to the Consolidated financial statements

for the year ended March 31, 2022

@ The amount reported is net of the amount reflected as amount to be recovered, since paid in excess to the limits applicable u/s 197 of the Companies Act 2013. Refer Note 3.13

*Due to non availability of relevant information from the subsidiaries, related party disclosures have been prepared based on limited facts available and may not depict correct facts for certain reporting done.

Figures stated above are gross outstanding and provision of impairment wherever provided in financials have not been considered while reporting related party transaction.

C) Sitting Fees Paid to Non-Executive Directors

₹ in Million

	Current Financial Year	Current Financial Year
Director Sitting Fees	0.95	1.20

3.29 Disclosure as per Ind AS 17 “Leases”:

Effective April 1, 2019, the Company has adopted IND-AS 116 “Leases” on all material lease arrangement existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment amounting to Rs. 3.4 million to retained earnings, on the date of initial application.

(A) Operating lease (as Lessee):

Disclosures in respect of cancellable agreements for office premises taken on lease

₹ in Million

Operating Leases	As at	
	March 31, 2022	March 31, 2021
Disclosures in respect of cancellable agreements for office premises taken on lease	-	-
(i) Lease payments recognized in the Statement of Profit and Loss	-	-
(ii) Significant leasing arrangements		
The Group has given refundable interest free security deposits under the agreements, against the premises already vacated, which is still otstanding to be recovered	10.80	10.80
The lease agreements are up to 4 to 36 months. These agreements also provided for periodical increase in rent.	-	-
(iii) Future minimum lease payments under non-cancellable agreements	-	-
Not later than one year	NIL	NIL
Later than one year and not later than five years	NIL	NIL
Later than five years	NIL	NIL

*Rent amounting to Rs.0.36 million has been paid by the parent company for godown taken for storage of documents.

(B) Operating lease (as Lessor):

Disclosures in respect of cancellable agreements for office given on lease

₹ in Million

Operating Leases	As at	
	March 31, 2022	March 31, 2021
Disclosures in respect of cancellable agreements for office given on lease		
(i) Lease receipt recognized in the Statement of Profit and Loss	-	-
(ii) Future minimum lease receivable under non-cancellable agreements		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-

Notes to the Consolidated financial statements

for the year ended March 31, 2022

3.30 The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette on 29th September, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.

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

Information related to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Group:

₹ in Million

		As at	
		March 31, 2022	March 31, 2021
(i)	Principal amount outstanding	3.79	3.54
(ii)	Interest on Principal amount due #	3.07	2.60
(iii)	Interest and Principal amount paid beyond appointment day	Nil	Nil
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specific ed under MSME Development Act	Nil	Nil
(v)	The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act.	3.07	2.60

The Interest due has been computed basis the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, wherein it has been stated that if the buyer fails to pay MSME registered supplier within agreed timelines (if not agreed than 45 days), then buyer shall be liable to pay compounded interest with monthly rests to the supplier on that amount from the appointed date or as the case may be from the date immediately following the date agreed upon, at three times of the Bank rate notified by the Reserve Bank of India. The rate considered for above calculation is Current year 12.75% (Previous Year 13%) per annum. This has not been accounted in the books of accounts.

3.32 Tonnage Tax Reserve

In terms of section 115VT of the Income Tax Act, 1961, the Company is required to transfer a minimum of 20% of book profits from the tonnage tax activities in tonnage tax reserve which are to be utilised for acquiring new ships within 8 years of such transfer.

During the FY 21-22, Company has incurred a book profit of Rs. 40.86 millions (Previous Year Loss Rs. 2037.62 millions). The Company has book profit in the financial year because of reversal of impairement of vessels and there is no operational shipping activities. Furthermore, the company is into liquidation and will not carry any shipping activity in future and in view of this the comapny has not transferred 20% of book profit in tonnage tax reserve.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

3.33 Income Tax expense

(A) Tax Expenses recognized in the statement of Profit and Loss

₹ in Million

Particulars	Current Financial Year	Previous Financial Year
Profit / (Loss) before Tax	(206.64)	(3,040.96)
Income Tax Expenses as respective jurisdiction corporate tax rate	**-**	**(862.20)**
Reconciliation Items / fiscal corrections		
Income not subject to tax	-	
Difference in books and tax depreciation	-	
Gain attributable to tonnage tax activity	-	
Non Qualifying Income and Expense under Tonnage Tax		
Others - Income not pertaining to Indian Tax Jursidiction		924.50
Other earlier year adjustments	(11.25)	93.50
Total Reconciliation Items	**(11.25)**	**1,018.00**
Income Tax and Deferred Tax Expenses	**(11.25)**	**155.80**
Effective Tax Rate	**Please refer Note Below**	

(i) Effective tax rate for shipping segment is not applicable as the Company is paying tax under tonnage tax provision under section 115V of Income Tax Act 1961. Other tax of earlier years represent write of off withholding tax for which credit is not available or taken in respective financial year.

In the view of the Management of the Parent Company, since there was no business operations during the year, hence no tonnage tax is required to be computed or provided in the books of accounts"

(ii) Effective tax rate for coal business is 25% as per local prevailing tax laws in Indonesia

(ii) Other business segments have effective tax rates of 26% in India and 17% in Singapore but do not have any taxable profit.

(B) Deferred Tax as per Ind AS 12 "Income Taxes "

(i) Deferred tax liability (net) included in the balance sheet comprises of the following:

₹ in Million

Particulars	As at April 01, 2020	Credit/(charge) in Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive income/ Reclassification	As at March 31,2021
Deferred tax (assets)/liabilities				
Unabsorbed Depreciation	(3.68)	-	-	(3.68)
Provision for post retirement benefits	(10.91)	-	(187.46)	(198.36)
Foreign source Income yet to be remitted/others	(0.00)	-	-	(0.00)
Total	**(14.59)**	**-**	**(187.46)**	**(202.04)**

₹ in Million

Particulars	As at April 01, 2020	Credit/(charge) in Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive income	As at March 31,2021
Deferred tax (assets)/liabilities				
Unabsorbed Depreciation	(3.98)		0.30	(3.68)
Provision for post retirement benefits	(10.91)			(10.91)
Foreign source Income yet to be remitted / others	(0.01)	-	-	(0.01)
Total	**(14.90)**	**-**	**0.30**	**(14.60)**

Notes to the Consolidated financial statements

for the year ended March 31, 2022

3.34 Corporate Social Responsibility (CSR)

Gross amount required to be spent by the Indian entities of the Group as per section 135 of the Companies Act 2013, during the year Rs Nil (Previous Year Rs Nil).

3.35 Discontinuation of Business on sale of Vessel – (Cash Generating Unit Asset Sale)

(a) On December 17, 2018 the members signed a resolution approving the sale of the vessel "Nerissa" held under Property, Plant and Equipment which is the only Cash Generating Unit (CGU) of the Company. As at March 31, 2019 the asset was classified in the Balance Sheet as "Property, Plant and Equipment held for sale" and the results of the operations were presented in the Statement of Profit or Loss separately as "Loss from discontinued operations, net of tax". Subsequently a Memorandum of Agreement was signed on April 8, 2019 with a buyer agreeing to gross sale price of Rs 1971.40 million (USD 28.50 Mn) and the disposal was completed on April 25, 2019.

(b) The Net Realizable Value (NRV) being less than the carrying value of the Vessel, Impairment loss has been recognized in the Statement of Profit or Loss and Other Comprehensive Income.

(c) During the previous year ended March 31, 2020, an overseas subsidiary passed a resolution approving the sale of VLCC vessel "Nerissa" held under Property, Plant and Equipment which is the only Cash Generating Unit (CGU) of the said subsidiary. Subsequently a Memorandum of Agreement (MOA) was signed with a buyer agreeing to sale price of USD 27.50 Mn (Net). Accordingly, the subsidiary had accounted for Impairment loss of Rs. 2869.20 million on classification of the said asset as "Non-Current Asset held for sale" in previous year. The said impairment loss is included under "Net profit/(loss) before tax from discontinued operation" in the earlier year.

The Company has presented the financial statements of the said subsidiary as discontinued operation in accordance with IND AS -105 "Non-current Assets Held for Sale and Discontinued Operations".

₹ in Million

Balance Sheet Disclosure	As at March 31, 2022	As at March 31, 2021
Property, Plant and Equipment	-	-
Trade Receivables	-	-
Cash and Cash Equivalent	0.82	0.82
Non Current Asset held for sale	-	-
Other Current Assets	-	-
Total Assets of discontinued operation	**0.82**	**0.82**
Borrowings	-	-
Trade Payable	1.62	1.62
other current liabilities	-	-
	-	-
Total Liabilities of discontinued operation	**1.62**	**1.62**

₹ in Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	-	-
Total Income	-	-
Expenses		
Crew expenses	-	-
Insurance	-	-
Bank charges	-	-
Other operating expenses	-	-
Total Expenses	**-**	**-**
(Loss) before tax	**-**	**-**
Tax expense	**-**	**-**
(Loss) from discontinued operations, net of tax	-	-
Cash Flow (Used) from -		
(a) from operating activities	-	4.30
(a) from investing activities	-	-
(a) from financing activities	-	(3.60)

Notes to the Consolidated financial statements

for the year ended March 31, 2022

3.36 Financial Risk Management Objectives and Policies

The Group financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Risk Management committee

"The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and Loans and borrowings.

The Group manages market risk through Risk Management committee, which evaluates and exercises independent control over the entire process of market risk management. The committee recommends risk management objectives and policies, which are approved by Risk Management and Board.

Risk management framework

The Group's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operations and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation. Corporate Insolvency Resolution Process (CIRP) has been initiated in case of the Parent Company and three of its subsidiaries under the Provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Parent Company stand vested with the Resolution Professional (RP) appointed by the NCLT. The framework and the strategies for effective management will be established post implementation of Resolution Plan. Presently, the financial management activities are restricted to management of current assets and liabilities of the Group and the day to day cashflow and its associated risks are as under:

a. Market Risk

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in interest rates.

There have been many delays and defaults in earlier years pertaining to payment of Interest and instalment dues, the defaults continues as on March 31, 2022. Given the fact, the Parent Company is under moratorium under CIRP, any outcome will depend on the resolution, if and when, achieved under the process.

Mercator Petroleum Limited., a material subsidiaries of the Company in India is under CIR process and Mercator International Pte. Ltd. and MCS Holdings Pte Ltd. being overseas subsidiaries of the Company are under liquidation which is in process.

Exposure to Interest rate risk

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Total Borrowings (including redemption premium amounting to Rs. 211.20 million as on March 31, 2022 (Previous Year Rs. 211.20 million) for the Parent Company)	16,413.30	16,269.94
% of Borrowings out of above bearing variable rate of Interest	77.98%	77.78%

The Group is exposed to interest rate risk as it borrow funds at floating interest rates. The interest rate risk is managed by monitoring the Group's level of borrowings periodically and structuring its borrowings on varying maturities and interest rate terms.

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the entire year.

A 50 basis point increase or decrease is used when reporting interest rate risk and represents management's assessment of the reasonably possible change in interest rates.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

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, 2022 would increase/decrease by Rs. 58.50 million (previous year Rs. 66.50 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The RP of Parent Company has crystallised and admitted the claims in Rs. on February 07, 2021, accordingly there is no further exposure for interest risk in case of borrowings of the Parent Company.

ii) Maritime Risk

The operations of the Company may be exposed to piracy, war, sabotage and terrorism risk at sea which could potentially disrupt the operations of the Company, if and when it commences. Also, the Company's vessels are susceptible to arrests by maritime claimants (which are already under arrest) which could result in significant loss for the Company. In times of emergency or wars, the Government could demand the Company's vessels without adequate compensation. The Company is having exposure of various specific compliance of renewal of non-operational vessels, payment of provident funds, TDS in relation to crew members etc which are pending on account of liquidity crisis. The Company has disclosed all such liabilities due and payable. Considering past events including the fact that one of the vessel of the company was sunk, company is at an exposure of damage of sea environment and there is a possibility of liability under applicable provision of Environment Laws. Other than that, the company has no operational vessel / dredgers as on March 31, 2022. However, the Company is exposed to the risk of compliance pertaining to non - operational dredgers with the Company or sold / auctioned in past.

iii) Business Risk

i) Risk relating to Exploration, Development and production.

The Group has two oil blocks in the Cambay Basin and in one of them we have announced discovery of superior quality oil with oil flowing to surface at the time of testing of Wells. While the oil price has been volatile in the past, Brent Crude appears to have been stabilized between US$ 50 to US$ 60 per barrel over last year. Even otherwise, in subsidiary's context, the risk of fluctuations in Oil Price is contained since the quality of Oil discovered in subsidiary's blocks (light and sweet crude - 410 API) is better than that of Brent Crude (Brent Crude being 380 API) and therefore enjoys premium over Brent.

Project Specific Risk:

The Group has discontinued drilling wells and exploration in CB-3 oil blocks and also not relinquishes their right on the same. This has resulted into termination and contingent liability on pending completion of minimum work program as determined by MoPNG. In addition to that for CB-9, the Group requires to continue drilling wells and identify new oil discoveries. The Group also needs operational and financial support for development of existing Jyoti-1 and Jyoti-2 oils wells, several clearances from government department requires and other procedural formalities to be completed as per Production Sharing Contract. The Group is passing through financial stress and litigation with vendors which was delaying project off take. The Board of Directors has approved strategic sale of participating interest in oil block CB-ONN-205/9 (CB-9) of MPL. The subsidiary company has executed Farm in Farm Out agreement dated December 26, 2019 with a prospective buyer at a sale price of Rs. 2520 million. MPL has executed an amendment to the original Farm in Farm Out agreement dated December 26, 2019 for extension of the long stop date to October 31, 2020. The Company is hopeful of concluding the sale within the further extended timelines, if and whenever agreed with the prospective buyer.

The application for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) filed by an Operational Creditor before the National Company Law Tribunal (NCLT), Mumbai Bench against one of the material subsidiary of the Company, Mercator Petroleum Limited (MPL) was admitted vide the order of NCLT dated August 31, 2020 (Order). In terms of Section 17 of the IBC, the power of the Board of Directors stands suspended and all such powers stand vested in an Interim Resolution Professional (IRP) appointed vide the said Order who has taken charge under the directions of the Committee of Creditors. Further, in terms of stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order prohibiting certain stipulated actions. In terms of the update received from IRP, as a part of the Corporate Insolvency Resolution Process (CIRP), IRP had invited Resolution Plans from the eligible bidders. IRP had received a positive response. As part of the process, the Resolution Applicants have been carrying out the necessary due diligence.

Project Specific Risk - Construction Contract

Mercator Oil and Gas Limited ('MOGL'), an Indian subsidiary of the Company was engaged in EPC project awarded by

Notes to the Consolidated financial statements
for the year ended March 31, 2022

ONGC named 'Sagar Samrat Conversion Project' (SSCP). On September 25, 2018, MOGL received a notice of termination from ONGC and it simultaneously proceeded to encash the bank guarantees, as explained in detail in Note No. 3.12

In view of the above dispute, the Project risk is presently very high. The subsidiary has initiated arbitration proceedings against illegal termination of contract by ONGC and its other rights and claims under the contract. The proceedings are underway. In addition to above, based on the order of Hon'ble Bombay High Court dated July 29, 2019, ONGC had invoked Bank Guarantee amounting to Rs.1421.90 million which had been accounted in the books of the accounts of MOGL in the quarter ended June 30, 2019. Based on the progress of the arbitration proceedings and discussion with the legal counsel, the management is hopeful of a positive outcome in the claim of Rs. 19,250 million filed against ONGC.

Equity price sensitivity analysis:

During the year, the share price of the Parent company has sharply fallen and pursuant to that several financial creditors who has given loan against shares have sold pledged shares of promoters in market at various prices. This has further impacted on volatility and columns in market and reduced prices. During the year, the Parent Company has faced few block deals on stock exchanges for offloading of shares. There is a change of capital structure for holding of promoters as well as holding of Foreign Institutional Investors (FII).

iv) Foreign currency risk

Foreign currency risk mainly arises from transactions undertaken by an operating unit denominated in currencies other than its functional currency. Exposure to foreign currency risk is mitigated by natural hedges of matching revenues and costs.

Since, a significant amount of revenue and exposures are denominated in US dollars, there is a translation risk as the Group has to report its financial performance in Rs.. The carrying amounts of the Group's financial assets and financial liabilities denominated in foreign currencies at the reporting date in Rs. are as follows:

₹ in Million

Details / Currency	As at	
	March 31, 2022	March 31, 2021
Trade Receivables		
- USD	38.39	37.95
Cash and Cash equivalents		
- USD	0.00	0.00
Other Financial Assets		
- USD	-	-
Borrowings		
- USD	594.80	588.04
Trade Payables		
- USD	554.87	549.05

*Borrowings includes USD Loan of Rs NIL (Previous year Rs. NIL) where exchange fluctuation impact on Revaluation amounting to Rs. NIL (Previous Year Rs. NIL) are capitalized as per IND–AS 101 to the Cost of Vessel. During the current financial year, considering the fact that the majority of vessels are sold or impaired, no such accounting adjustment has been carried in the carrying balances.

Sensitivity Analysis:

A 5% strengthening / weakening of Indian Rupee against key currencies to which the Group is exposed (net of hedge, if any), with all other variables being held constant, would have led to approximately a gain / loss of Rs. 58.80 million (Previous Year : Rs. 58.80 million).

As stated in note 3.14, the RP of Parent Company has crystallised and admitted the claims in Rs. on February 07, 2021, accordingly there is no further exposure for currency risk in case of borrowings of Parent Company.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

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 Million

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 180 days	0.00	0.00
More than 180 days	1,013.11	1,367.08

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

c. Liquidity Risk

Liquidity risk is the financial risk that is encountered due to uncertainty resulting in difficulty in meeting its obligations and deployment of assets for its economic use. An entity is exposed to liquidity risk if market on which it depends are subject to loss of liquidity for any reason; intrinsic to its business operations, availability of contractual obligation, affecting its credit rating, positive outcome of existing litigations filed by subsidiaries and realisation of their assets, or unexpected cash outflows. Prudence requires liquidity risk to be managed in addition to market, credit and other risks as it has tendency to compound other risks. It entails management of asset, liabilities focused on a medium to long-term perspective and future net cash flows on a day-by-day basis in order to assess liquidity risk.

The Parent Company is under Corporate Insolvency Resolution Process (CIRP). The Group depends upon operational deployment of its vessels and timely receipt thereto as well as vendor payments (including settlement and litigations) can severely impact the current level of operation. Liquidity crises had led to default in repayment of principal and interest to lenders. Other Group Companies are also under financial stress or under liquidation / insolvency proceedings. Given the fact, the Parent Company is under moratorium under CIRP, any outcome will depend on the resolution, if and when, achieved under the process.

Mercator Petroleum Limited, a material subsidiaries of the Company in India is under CIR process and Mercator International Pte. Ltd. and MCS Holdings Pte Ltd. being overseas subsidiaries of the Company are under liquidation which is in process.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Group can be required to pay:

Notes to the Consolidated financial statements

for the year ended March 31, 2022

Maturity Analysis of Significant Financial Liabilities

₹ in Million

As at March 31, 2022	Contractual Cash Flows				
	Total	Up to 1 year	1-3 years	3-5 years	More than 5 years
Financial Instruments					
Borrowings	16,413.30	-	16,413.30	-	-
Trade Payables	1,429.00	-	1,429.00	-	-
Other financial liabilities	5,833.42	-	5,833.42	-	-
	23,675.72	**-**	**23,675.72**	**-**	**-**

As at March 31, 2021	Contractual Cash Flows				
	Total	Up to 1 year	1-3 years	3-5 years	More than 5 years
Financial Instruments					
Borrowings	16,269.94	16,269.94	-	-	-
Trade Payables	1,484.83	1,484.83	-	-	-
Other financial liabilities	5,969.06	5,968.76	0.30	-	-
	23,723.83	**23,723.53**	**0.30**	**-**	**-**

(d) Legal Risk

In view of the financial position and corresponding various payment defaults, the Group is exposed to a large number of litigation risks. The Group has also filed several cases or counter claims directly or through its subsidiaries where significant amount is involved in litigation or may be recovered upon settlement. The various litigations are in process which have been covered in notes of the consolidated financial statement and in the view of the uncertainties involved it is not possible to estimate the possible impact of the same on the Financial Statements.

3.37 Capital Management

For the purpose of Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. However, the entire networth of the Parent Company is fully eroded and the Parent Company is under CIRP any outcome will depend on the resolution, if and when, achieved under the process.

The debt equity for the year is as under:

₹ in Million

	As at	
	March 31, 2022	March 31, 2021
Borrowings (Rs. in million) - (A)	16,413.30	16,269.94
Total Equity (Rs. in million) - (B)	(13,348.92)	(12,524.24)
Debt Equity Ratio (A/B)	(1.23)	(1.30)

3.38 The Group does not have any long term contracts including derivative contracts as at March 31, 2022 (Previous Year : Nil) wherein the Group is required to make provision towards any foreseeable losses.

3.39 During the year 2020-21, the Group had conducted a specific detailed evaluation of its receivables and payables and had provided for old overdue receivables and advances given, which amount to Rs. 375.90 million in "Other Expenses". The Group had also written back Rs. 101.50 million which primarily included the liability written back on account excess provision of earlier year, in "Other Income".

Notes to the Consolidated financial statements

for the year ended March 31, 2022

3.40 Fair value measurements

Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 1.26 to the financial statements.

(a) The carrying value of financial instruments (excluding impairment provision) by categories is as follows -

₹ in Million

Particulars	As at	
	March 31, 2022	March 31, 2021
Financial assets:		
Measured at amortised cost		
Cash and cash equivalents	285.71	268.08
Bank balances other than Cash and cash equivalents	21.45	52.24
Loans	199.70	266.03
Trade receivables	1,013.11	1,367.08
Other Financial assets	2,689.11	2,688.00
Investment (Non current Assets)	0.00	0.00
At fair value through profit and loss		
Investment in Mutual Funds	632.43	610.43
Total	**4,841.51**	**5,251.86**
Financial liabilities:		
Measured at amortised cost		
Borrowings	16,413.30	16,413.30
Other financial liabilities	5,833.42	5,833.42
Trade and other payables	1,429.00	1,429.00
Total	**23,675.72**	**23,675.72**

Carrying amounts of trade receivables, cash and cash equivalents and trade payables as at March 31, 2022 and March 31, 2021 approximates the fair values because of their short term nature. Difference between carrying amounts and fair values of other bank balances, borrowings, and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented. Given the fact, the Parent Company is under CIRP, the fair value will depend on the resolution, if and when, achieved under the process.

(b) Fair Value Hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from

observable current market transactions in the same instrument nor are they based on available market data.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

₹ in Million

At March 31, 2022	Level 1	Level 2	Level 3	Total
Financial instruments at fair value through profit or loss				
Investments in mutual fund/ units	-	-	632.43	632.43
Derivative financial liabilities	-	-	-	-
Total	**-**	**-**	**632.43**	**632.43**

₹ in Million

At March 31, 2021	Level 1	Level 2	Level 3	Total
Financial instruments at fair value through profit or loss				
Investments in mutual fund/ units	-	-	610.43	610.43
Derivative financial liabilities	-	-	-	-
Total	**-**	**-**	**610.43**	**610.43**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a) The fair value of loans from banks and other financial indebtedness as well as other non current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.

b) Derivative instruments have been fair valued on the reporting date on the basis of quotes provided by the third party qualified valuer / market participants.

However, none of the financial assets and liabilities have been fair valued during the current year and previous year. none of the financial assets and liabilities have been fair valued during the current year and previous year.

3.41 One's Forte Co. Ltd of Japan had filed a suit for arrest of Vedika Prem in Gujarat on October 6, 2016 for its claim of Rs. 4 million being claim for necessities supplied to vessel and outstanding under invoices. The Company had settled the claim for outstanding invoices and issued Demand draft no. 501907 dated October 10, 2016 for Rs. 4.1 million . Having come to notice that One's Forte Co. Ltd. had filed caveat against release, the Company has submitted another DD for Rs. 9.2 million in favour of plaintiff for settlement of caveat amount. For the balance amount of Rs. 5.1 million the Company had disputed its liability to pay such amount to the plaintiff as these were Mercator Lines Singapore (MLS) dues but in order to ensure release and sail of vessel, the Company deposited Rs. 5.1 million by way of Demand Draft in favour of "Registrar High Court of Gujarat" pursuant to which Vedika Prem was released by order dated October 10, 2016. One's Forte Co. Ltd. had filed new suit for recovery of disputed amount Rs. 5.1 million being the suit no.41 of 2016. The Company had also filed written statement on April 18, 2018. Thereafter, the parties had agreed to settle the matter for USD 30,000 (i.e. Rs. 2.1 million) to be paid out of security amount to Ones Forte and remaining amount was to be returned to the Company. Accordingly, the Settlement Agreement was signed on January 9, 2020 by the Company but One Forte Co. Ltd. backed out of signing the said Settlement Agreement.

Subsequently, the Company has also received Debt Forgiveness Notice on December 28, 2020 from One's Forte Co. Ltd. Now, the Company is in the process of making an application to the Gujarat High Court for release of security deposit amount of Rs. 5.10 million plus accrued interest thereon. The Company had passed a circular resolution on February 2, 2021 for the signing of an application to be made to Gujarat High Court for release of security deposit amount of Rs. 5.10 million with respect to Admiralty Suit No. 41 of 2016 filed against the Company by One's Forte Co. Ltd. Vide order dated 2-2-2022, Court has ordered release of the said deposit of Rs. 5.10 million along with intrest due thereon. Accordingly the company received the said security deposit and duly adjusted the same in the books of accounts.

3.42 Compliance of Section 134 and 149 of the companies Act,2013

These consolidated financial statements have not been authenticated by the company secretary as mandated u/s 134 of The companies Act,2013 (as amended), owing to the resignation w.e.f July 23,2019. The said vacancy is yet to be filled in.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

During the year, Company secretary and Chief financial officer has resigned of MPL (subsidiary company), Until date of reporting, MPL has not found and appoint suitable replacement.

Additionally, one of the Directors of MPL and MOGL has put up his resignation and hence there is no quorum for conduct of operation of MPL and MOGL.The management has not yet evaluated option of application to ROC approval for waiver of minimum requirement of directors.

3.43 Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements except otherwise stated in above notes wherever applicable depends on its ability to determine material financial impact and appropriateness.

3.44 The outbreak of Coronavirus (COVID≈19) pandemic disrupted the Operations of the Company since end March, 2020. The Government of India ordered a nationwide lockdown to prevent community spread of COVID≈19 in India resulting in significant reduction in economic activities. The Company had adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with maintaining social distancing, sanitization of wo spaces etc. The extent and duration of COVID≈19 is currently unknown and depends on future developments that are uncertain. Any resultant outcome and impact on business, due to this is unpredictable. In assessing the recoverability of Company's assets such as Investment, Loans and other receivables, the management has used internal and external source of information up to the date of approval of these financial statements. Given the uncertainties, the impact of COVID≈19 may be different from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor the developments.

3.45 At standalone level, Non-Current Tax Assets as on March 31, 2022 amount to Rs. 559.75 million (net) includes Rs. 704.85 million which has not been settled due to on-going tax assessment for various Assessment Years i.e. AY 2003-04 and from AY 2007-08 to AY 2018-19 against which net tax demand of Rs. 867.60 million has been received and contested by the Company. The management is taking steps to resolve the cases with the income tax department. Further, the balances related to Input Tax Credit of Goods and Service Tax as per books of accounts as on March 31, 2022 are under reconciliation with the available regulatory records and any impact of the same will be accounted in subsequent period.

3.46 Other Statutory Information (Pertaining to Parent Company Only)

i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes to the Consolidated financial statements

for the year ended March 31, 2022

vii) The Company has not been declared wilful defaulter by any bank or financials institution or lender during the year.

viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

ix) The Company does not have any transactions with companies which are struck off.

x) No quarterly returns or statement of current assets has been filed by the company with the bank and Financial institution

xi) The company is under CIRP, hence the company has not used any new borrowings from banks or Financial Institutions during the financial year.

xii) The Company has not entered into any scheme of arrangements in terms of section 230 to 237 (Corporate Restructuring) of the Companies Act, 2013 during the current financial year.

xiii) The Company has not given any loan or advances to any director or any firm or private company in which directors is partner or director.

3.47 Based on the limited information available with respect to break-up of certain items of income/expenses /assets/ liabilities of subsidiaries requiring elimination effect upon consolidation of financial statements, suitable assumptions based on past quarters have been made to provide such effects.

3.48 Financial Ratios

₹ in Million

Sr. No.	Particulars	Unit	Applicability	As at March 31, 2022	As at March 31, 2021	% Increase/ Decrease
(a)	Current Ratio	%		0.25	0.53	-52.96%
(b)	Debt - Equity Ratio	%		(1.23)	(1.30)	-5.35%
(c)	Debt Service Coverage Ratio	%		(0.01)	0.03	-119.23%
(d)	Return on Equity	%	NA, as there is a loss in the company	NA	NA	-
(e)	Inventory Turnover Ratio	%	NA, in the current year, as there is no operating revenue during the year	NA	40.63	-
(f)	Trade Receivables Turnover Ratio	%	NA, in the current year, as there is no operating revenue during the year	NA	3.15	-
(g)	Trade Payables Turnover Ratio	%		0.08	0.27	-69.27%
(h)	Net Capital Turnover Ratio	%	NA, in the current year as there are no sales during the year	NA	(0.21)	-
(i)	Net Profit Ratio	%	NA, there is no profit in the company	NA	NA	-
(j)	Return on Capital Employed	%	NA, there is no profit in the company	NA	NA	-
(k)	Return on investment	%		(0.02)	(0.25)	-92.54%

Notes to the Consolidated financial statements

for the year ended March 31, 2022

Explaination of the items included in numerator and denominator for computing the above ratios:

Current Ratio	[Current Assets/ Current Liabilities excluding Current Maturities of Long term borrowings]
Debt - Equity Ratio	[(Borrowings + Lease Liabilities)/ Total Equity]
Debt Service Coverage Ratio	[(Profit before Depreciation, Amortization, Impairment Loss on Non-Current Assets, Finance Cost and Tax)/ (Finance Cost (net of capitalization) + Scheduled Principal Repayment (Excluding Prepayment))]
Return on Equity	Net profit (before exceptional items)/ Average net worth (share capital + reserves)
Inventory Turnover Ratio	[Revenue from Operations/ Average inventory]
Trade Receivables Turnover Ratio	[Revenue from Operations/ Average Trade Receivable]
Trade Payables Turnover Ratio	[Net Credit Purchases/ Average Trade Payables]
Net Capital Turnover Ratio	[Net Sales/ Working Capital]
Net Profit Ratio	[Profit after tax from Continuing and Discontinued Operations/ Revenue from Operations]
Return on Capital Employed	[Operating profit, before special items and net of tax outflow/ Average capital employed]
Return on investment	[Earnings before interest and tax/ Total assets]

3.49 Previous year's figures have been regrouped / restated wherever necessary to conform to current year's classification.

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

Shweta Singhal
Partner
Membership No : 414420
Place: Mumbai
Date: May 28, 2022

For and on behalf of the Board

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

Jagmohan Talan
Director
(DIN:08890353)

Mangesh M. Deokar Bhosale
Chief Financial Officer

Powers of the Board are Suspended from the Insolvency Commencement date

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

Place: Mumbai
Date: May 28, 2022

MERCATOR LIMITED

CIN: L63090MH1983PLC031418
Regd. Off.: 83-87, 8th floor, Mittal Tower, B Wing, Nariman Point Mumbai 400021
E-mail: secretarial@mercator.co.in; Website: www.mercator.co.in;
Tel.: +91 22 6637 3333; Fax: +91 22 6637 4444

FOR KIND ATTENTION OF SHAREHOLDERS

Dear Shareholders,

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, as amended from time to time, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communications to you through electronic mode:

Registered Folio/DP ID & Client ID	
Name of the Shareholder(s)	
Father's/Mother's/Spouse's Name	
Address (Registered Office Address in case the Member is a Body Corporate)	
E-mail ID	
PAN or CIN(in case of Body Corporate)	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Date of birth of the Member	

Note: Members holding shares in DEMAT mode may furnish these details to their respective depositories.

Place:____________________

Date: ____________________

Signature of the Member

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agent of the Company viz. "Link Intime India Private Ltd; C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.