

Mercator Limited

March 06, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	959.53	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	150.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE had, vide its press release dated September 21, 2020, placed the rating(s) of Mercator limited (ML) under the 'issuer non-cooperating' category as ML had failed to provide information for monitoring of the rating. ML continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated November 13, 2022. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Analytical approach: Consolidated

CARE has analysed ML's credit profile considering the consolidated business profile and financial statements of the company owing to the strong operating and financial linkages between the parent (India operations) and subsidiaries (global operations).

Key weaknesses

Delay in servicing of debt obligation: The ratings consider the ongoing delays in debt servicing owing to the stretched liquidity position.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Rating Outlook and Credit Watch](#)

[Policy on Withdrawal of Ratings](#)

About the company and industry

Industry Classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Diversified	Diversified	Diversified	Diversified

Mercator Limited (ML) along with its subsidiaries is a diversified group engaged in shipping (dry bulk, wet bulk and dredging), gas, coal mining and E&P activities. ML commenced business as a shipping company in 1984 (taken over by present promoters in FY1989) and has over the years, through its subsidiaries, diversified into various other sectors like coal mining and logistics, E&P and dredging.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Brief Financials (₹ crore) Consolidated	March 31, 2021 (A)	March 31, 2022 (A)	9MFY23 (UA)
Total operating income	394.68	0.00	0.00
PBILDT	-62.20	-12.50	-1.82
PAT	-319.67	-19.54	-1.97
Overall gearing (times)	-1.29	-1.23	NA
Interest coverage (times)	NM	NM	NM

A: Audited; UA: Unaudited; NM: Not meaningful; NA: Not available; Note: 'the above results are latest financial results available

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	50.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	30/07/2016	653.97	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT-Letter of credit		-	-	-	255.56	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	150.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Non-fund-based - ST-BG/LC	ST	150.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (14-Dec-21)	1)CARE D; ISSUER NOT COOPERATING* (21-Sep-20)	1)CARE D; ISSUER NOT COOPERATING* (11-Jul-19) 2)CARE D (03-Apr-19)
2	Fund-based - LT-Cash Credit	LT	50.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (14-Dec-21)	1)CARE D; ISSUER NOT COOPERATING* (21-Sep-20)	1)CARE D; ISSUER NOT COOPERATING* (11-Jul-19) 2)CARE D (03-Apr-19)
3	Fund-based - LT-Term Loan	LT	653.97	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (14-Dec-21)	1)CARE D; ISSUER NOT COOPERATING* (21-Sep-20)	1)CARE D; ISSUER NOT COOPERATING* (11-Jul-19) 2)CARE D (03-Apr-19)
4	Non-fund-based - LT-Letter of credit	LT	255.56	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (14-Dec-21)	1)CARE D; ISSUER NOT COOPERATING* (21-Sep-20)	1)CARE D; ISSUER NOT COOPERATING* (11-Jul-19) 2)CARE D (03-Apr-19)

*Issuer did not cooperate; based on best available information.

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT-Letter of credit	Simple
4	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

<p>Media Contact</p> <p>Name: Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Name: Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-67543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Name: Sudarshan Shreenivas Director CARE Ratings Limited Phone: 022- 6754 3566 E-mail: sudarshan.shreenivas@careedge.in</p> <p>Name: Arunava Paul Associate Director CARE Ratings Limited Phone: 022-6754 3667 E-mail: arunava.paul@careedge.in</p> <p>Name: Pooja Tripathi Lead Analyst CARE Ratings Limited E-mail: pooja.tripathi@careedge.in</p>
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About us:

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