

Mercator Limited (Revised)

May 09, 2018

Ratings

Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Non-Convertible Debenture issue	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating assigned to the NCD issue of Mercator Limited with immediate effect, as the company has repaid the aforementioned NCD issue in full and there is no amount outstanding under the issue as on date.

Analytical approach: Not Applicable**Applicable Criteria**

[Policy on Withdrawal of ratings](#)

About the Company

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 FY89) and has over the years, through its subsidiaries, diversified into various other sectors like coal mining, trading and logistics, E&P and dredging.

During February 2018, the company has announced de-merger of the dredging segment of the company into another listed entity. The merger is subject to shareholders' and various other regulatory approvals.

Brief Financials (Rs. crore) Consolidated	FY16 (A)	FY17 (A)
Total operating income	2724.06	2124.04
PBILDT	391.11	595.84
PAT	-1099.73	28.38
Overall gearing (times)	3.09	1.77
Interest coverage (times)	1.49	2.56

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own

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risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-fund-based - ST-BG/LC	-	-	-	150.00	CARE A3+
Fund-based - LT-Cash Credit	-	-	-	50.00	CARE BBB+; Negative
Fund-based - LT-Term Loan	-	-	FY25	653.97	CARE BBB+; Negative
Non-fund-based - LT-Letter of credit	-	-	-	255.56	CARE BBB+; Negative
Debentures-Non Convertible Debentures	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Non-fund-based - ST-BG/LC	ST	150.00	CARE A3+	-	1)CARE A3+ (26-Feb-18) 2)CARE A3+ (22-Sep-17)	1)CARE A3+ (Under Credit watch with Developing Implications) (30-Dec-16) 2)CARE A3+ (14-Oct-16)	1)CARE A2+ (30-Oct-15)
2.	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE BBB+; Negative (26-Feb-18) 2)CARE BBB+; Stable (22-Sep-17)	1)CARE BBB (Under Credit watch with Developing Implications) (30-Dec-16) 2)CARE BBB (14-Oct-16)	1)CARE A- (30-Oct-15)
3.	Fund-based - LT-Cash Credit	LT	50.00	CARE BBB+; Negative	-	1)CARE BBB+; Negative (26-Feb-18) 2)CARE BBB+; Stable (22-Sep-17)	1)CARE BBB (Under Credit watch with Developing Implications) (30-Dec-16) 2)CARE BBB (14-Oct-16)	1)CARE A- (30-Oct-15)

4.	Fund-based - LT-Term Loan	LT	653.97	CARE BBB+; Negative	-	1)CARE BBB+; Negative (26-Feb-18) 2)CARE BBB+; Stable (22-Sep-17)	1)CARE BBB (Under Credit watch with Developing Implications) (30-Dec-16) 2)CARE BBB (14-Oct-16)	1)CARE A- (30-Oct-15)
5.	Non-fund-based - LT-Letter of credit	LT	255.56	CARE BBB+; Negative	-	1)CARE BBB+; Negative (26-Feb-18) 2)CARE BBB+; Stable (22-Sep-17)	1)CARE BBB (Under Credit watch with Developing Implications) (30-Dec-16) 2)CARE BBB (14-Oct-16)	1)CARE A- (30-Oct-15)

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