
Mercator Lines records INR 467 crore profit for 2008-09

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It is reported that Mercator Lines Limited has posted a profit of INR 467.03 crore for 2008-09 recording a growth of 17% over the 2007-08.

Mr HK Mittal executive chairman of Mercator Lines Limited said income from operations increased by 50% to record 2210.51 crore.

He said “Despite a weak economic environment and depressed freight rates, Mercator has delivered a good set of results, reaffirming that our strategy of having long term contracts for a large part of our capacity”.

Mr Mittal said “Over the last 1 year, Mercator has diversified its business with Offshore oil & gas drilling and Coal ventures which we view as sectors with long terms growth promise. Company with its healthy balance sheet would continue to explore interesting opportunities”

However, Time Charter Equivalent rate per vessel per day increased by 4% to USD 39,966 and total no of vessel operating days increased by 18% to 4499 days in respect of dry carriers, for the year ended March 31st 2009. TCE rate per vessel per day increased by 19% to USD 27,976 though total no. of vessel operating days reduced by 12% to 4196 days in respect of tankers, for the year ended March 31st 2009.

Mercator’s owned fleet grew from 20 to 24 during the year ended March 31st 2009 with 26% increase in DWT. During the year, we also commenced offshore drilling operations of our maiden Jack up Rig. The company’s own fleet now comprises of 12 tankers with a combined capacity of 1373,508 DWT, 12 dry bulkers with a combined capacity of 898,343 DWT; 4 dredgers with a combined capacity of 31,854 CBM and a 350 feet Jack up Rig.

During the year, the Company has commenced offshore drilling operations by taking delivery of its new built 350 feet. Jack up Rig from the date of its delivery that is mid of March 2009 running on a 3 year contract. The coal mining activities in Indonesia also commenced and generated revenue of INR 77 crore.

Official said that at Mercator, evaluation and assessment of market condition is a continuous process. After analyzing huge potential in very large sized dry bulk, it converted its Very Large Crude Carrier into a Very Large Ore Carrier, which is the largest in India. The said VLOC has been deployed on 14 years consecutive voyage contract with an international Iron Ore Major. This is in line with the Company’s policy of deploying vessels on long term charter.

(Sourced from www.commodityonline.com)

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