

Ref: ML/SE/2019-20/102

February 13, 2020

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

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.
Scrip Code: MERCATOR

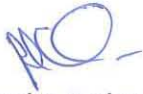
Sub: Investor Presentation

Dear Sir,

Please find enclosed herewith Investor Presentation of the Company for your information and record. The same is available on website of the Company i.e. www.mercator.in

Thanking you,

Yours faithfully,
For Mercator Limited



Rajendra Kothari
CFO & Compliance Officer





EARNINGS PRESENTATION

Q3 FY20

As a result of the legal dispute in a step-down subsidiary, PT Karya Putra Borneo (KPB) (a material subsidiary in Indonesia), we have not been able to provide audited financial statements of KPB. Accordingly, the Company had published the audited consolidated financial statements for the year ended 31-March-2019 and limited reviewed consolidated financial statements for the quarter ended 30-June-2019 and 30-Sept-2019 with a disclaimer of opinion. Since the legal dispute is still ongoing, The Company, for the time being, is continuing to publish the limited reviewed consolidated financial statements for the quarter ended 31-Dec-2019 with a disclaimer of opinion.



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Key Issues Update Q3 FY20



Key Issues	Update
Update on NCLT petitions	The Company is defending the petitions filed in NCLT, Mumbai Bench by certain operational creditors and 2 financial creditors.
Oil & Gas	Mercator Petroleum Ltd, a subsidiary proposes to monetize its Participating Interest (PI) in CB9 block for which the approval of shareholders has been obtained in January 2020 and no objection from lenders in in process.
Shipping business	<p>(a) The Company has concluded the sale its FSO 'Prem Pride' in January 2020 and the proceeds have been used to reduce debts. The said asset has been classified as held for sale as on December 31, 2019.</p> <p>(b) The Company proposes to sell its MR Tanker 'Prem Mala' for which approval of shareholders has been obtained and no objection from lenders is in process. However, the said vessel is already under arrest from an operational creditor and a financial creditor. The said asset has been classified as held for sale as on December 31, 2019.</p> <p>(c) A lender has initiated an enforcement sale of the MR Tanker 'Hansa Prem' charged to it under Section 51 of the Merchant Shipping Act, 1958 for recovery of the debts. The said vessel is also under arrest from an operational creditor The said asset has been classified as held for sale as on December 31, 2019.</p>
Dredging business	The Company is in the process of concluding monetization of its fleet of dredgers while focusing on asset light model for dredging contracts wherein the work can be accomplished by chartering dredgers. 2 of such contracts are already under execution presently;
Sagar Samrat conversion Project	In December-18 the company has initiated, binding arbitration against ONGC raising claims of \$ 173 Mn plus which includes claims for wrongful invocation of the Bank Guarantees.
Status update of execution order against DCI	On 10-Feb-20, Hon'ble Delhi High Court deferred its attachment order by 14 days; directed DCI to file Affidavit disclosing details of its assets, encumbrances and provide a schedule for payment of decretal sums awarded within 10 days. Matter is posted on 24-Feb-20.
Status of Dispute in Stepdown Subsidiary in Indonesia	Dispute raised by an erstwhile minority shareholder in one of the stepdown subsidiary in Indonesia continues . The Company is taking all legal steps to protect its rights and interests.
Legal Claims & receivables	<p><u>Total claims of Rs. 1,513 crores receivable by the Company (at the consolidated level) are summarized below:</u></p> <p>a) DCI Batch Arbitration Matters: Rs.55 crores (Rs.48 crores as per award plus interest till 31.12.2019 Rs.7 crores); In the process of getting an execution order from Hon'ble Delhi High Court;</p> <p>b) Total loss claim for Dredger Veera Prem: Rs. 124 crores (US\$ 17.78 Mn) The Company is in the process of filing a claim;</p> <p>c) Insurance claim for Vessel 'Divya Prem': Rs.120 crores (Claim of Rs. 54 crores plus interest till 31.12.2019 Rs.66 crores); the matter is under final hearing in National Commission;</p> <p>d) Sagar Samrat Arbitration Matter: Rs. 1,214 crores (US\$ 173.36 Mn); Binding Arbitration commenced in Dec-18 raising claims against ONGC; likely to conclude by Sep 2020 and award expected in Jan 2021.</p>

De-Leveraging Status and Debt Maturity Profile – Q3 FY2020



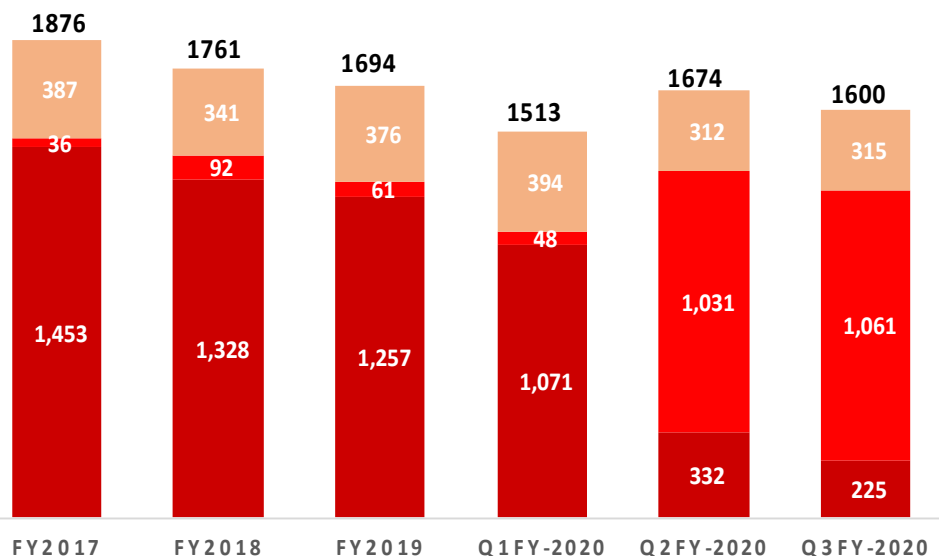
De-Leveraging Status

Highlights

All figures in INR crore

DE-LEVERAGING STATUS

■ Long Term Debt ■ Short Term Debt ■ Working Capital



- The Company has concluded the sale its FSO 'Prem Pride' in January 2020 and the proceeds have been used to reduce debts
- Invocation of Bank Guarantees by a customer for INR 142 crores in Mercator Oil and Gas Limited, a 100% subsidiary has resulted into increase in consolidated debt by an equivalent amount in Q2 FY20
- In Q2 & Q3 FY20, loans by most of the lender(s) have been recalled. Pursuant to such recall of loans, there has been a change of classification from Long Term Debt to Short Term Debt.
- Penal Interest of Rs.12 crores (YTD Dec 19 Rs.60 crores) on such loans was accounted in Q3 FY20.

Q3 FY20: Consolidated Operating Performance

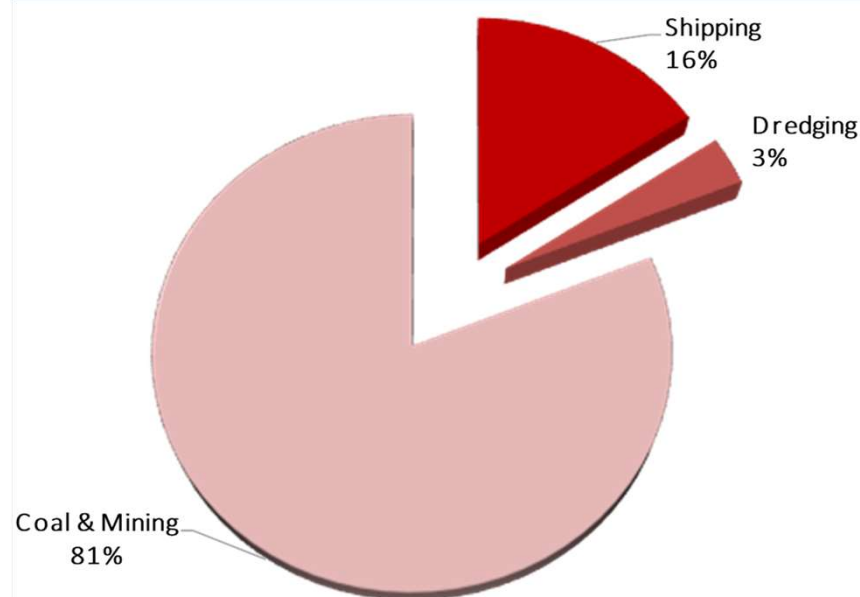
Rs in crores

Unaudited - Consolidated	Q3FY20	Q2FY20	Q3FY19	FY19
Operating Income	173	154	267	866
Other Income	0	1	2	10
Credit balances written back	0	-	157	157
Total Income	173	155	427	1033
Expenses	167	143	314	810
Provision for doubtful debts & advances	0	13	201	220
EBIDTA	6	-1	-88	3
Margin	4%	-1%	-21%	0%
Adjusted EBIDTA	6	12	29	163
Margin	4%	8%	7%	16%
Reported PAT	-64	-336	-450	-836
Adjusted PAT (After Exceptional Loss)	-52	-58	-53	-179
Adjusted PAT (Before Exceptional Loss)	-52	-58	105	-179

Unaudited - Consolidated	Q3FY20	Q2FY20	Q3FY19	FY19
EBIDTA	6	(1)	(88)	3
Add: Adjustments				
Provision for Doubtful Debts (Net of credit balances written back)	-	13	44	62
Loss on sale of Vessels	-	-	74	74
Loss on valuation of investments	-	-	-	24
Adjusted EBIDTA	6	12	29	163

Unaudited - Consolidated	Q3FY20	Q2FY20	Q3FY19	FY19
Reported PAT	(64)	(336)	(450)	(836)
Add: Adjustments				
Provision for Doubtful Debts	-	13	44	62
Discontinuing operations of VLCC	-	-	280	347
Loss on sale of Vessels	-	-	74	74
Penal Interest	12	47	-	-
Impairment of vessels and dredgers	-	218	-	151
Loss on valuation of investments	-	-	-	24
Adjusted PAT	(52)	(58)	(53)	(179)

Q2 FY20 Revenue: Segmental Break-up



Unaudited Consolidated (Rs. Cr.)	Q3FY20
PAT	(64)
Impacted By	
- Penal Interest	12
Adjusted PAT	(52)

Audited Consolidated Financial Performance Q3 FY20



Mercator Limited						
CIN NO : L63090MH1983PLCO31418						
Regd. Office: 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333						
Unaudited Financial Results For Quarter and Nine Months Ended December 31, 2019						
(Rs. in crore)						
Particulars	Consolidated					
	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
(a) Revenue from operations	172.82	154.46	266.94	472.99	691.25	867.35
(b) Other income	0.07	0.80	160.72	1.77	165.20	166.87
Total Income	172.89	155.26	427.66	474.76	856.45	1,034.22
2 Expenses						
(a) Cost of services rendered	122.93	115.55	206.80	338.21	457.54	618.88
(b) Employee benefits expense	9.15	8.60	11.19	27.81	30.20	41.64
(c) Finance costs	67.74	89.75	32.47	188.54	111.53	153.70
(d) Depreciation and amortisation	22.13	25.12	40.56	70.59	121.80	176.75
(e) Impairment Losses	(22.35)	217.73	-	306.54	-	53.45
(f) Other expenses	34.42	32.00	297.80	79.51	319.67	392.88
(g) Provision for doubtful debts/advances	-	-	-	-	-	-
Total expenses	234.02	488.75	588.82	1,011.20	1,040.74	1,437.30
3 Profit/(loss) from operations before exceptional items and tax (1-2)	(61.13)	(333.49)	(161.16)	(536.44)	(184.29)	(403.08)
4 Exceptional items	-	-	-	(106.99)	(11.73)	(108.89)
5 Profit/(loss) before tax from Continuing Operations (3 - 4)	(61.13)	(333.49)	(161.16)	(643.43)	(196.02)	(511.97)
6 Tax expense						
Current tax (including earlier year adjustment)	(2.99)	(2.35)	(10.16)	(10.32)	(25.91)	(33.24)
Deferred tax (net)	-	-	1.61	-	(0.12)	0.76
7 Net profit/(loss) after tax from Continuing Operations (5 - 6)	(64.12)	(335.84)	(169.71)	(653.75)	(222.05)	(544.45)
Discontinued Operation						
Net profit/(loss) before tax from discontinued Operations	(0.10)	(0.02)	(280.06)	(2.87)	(306.78)	(334.67)
Tax (expenses) / benefit of discontinued operations	-	-	-	-	-	-
8 Net profit/(loss) after tax from Discontinued Operations	(0.10)	(0.02)	(280.06)	(2.87)	(306.78)	(334.67)
9 Net profit/(loss) after tax	(64.22)	(335.86)	(449.77)	(656.62)	(528.83)	(879.12)
10 Items that will not be reclassified to statement of profit and loss						
Remeasurement gains /(loss) of defined benefit plans	(0.08)	(0.03)	(0.10)	(0.14)	(0.06)	(0.05)
Other comprehensive income						
Total Other comprehensive income /(loss)	(0.08)	(0.03)	(0.10)	(0.14)	(0.06)	(0.05)
11 Total comprehensive income /(loss) for the period/year (comprising profits and other comprehensive income for the period/year) (9+10)	(64.30)	(335.89)	(449.87)	(656.76)	(528.89)	(879.17)
12 Profit/(Loss) attributable to for the period (net of tax)						
Owners of the company	(65.91)	(337.72)	(427.35)	(666.80)	(527.70)	(908.63)
Non controlling interest	1.69	1.86	(22.42)	10.18	(1.13)	29.52
13 Other comprehensive income/ (loss) for the year (net of tax)						
Owners of the company	(0.08)	(0.03)	(0.10)	(0.14)	(0.06)	(0.05)
Non controlling interest	-	-	-	-	-	-
14 Total Comprehensive Income /(Loss) for the period / year attributable to						
Owners of the company	(65.99)	(337.75)	(427.45)	(666.94)	(527.76)	(908.69)
Non controlling interest	1.69	1.86	(22.42)	10.18	(1.13)	29.52
15 Paid up equity share capital (FV of Re.1 per share)	30.25	30.25	30.25	30.25	30.25	30.25
16 Basic and Diluted earnings per equity share from continuing operations	(2.18)	(11.17)	(4.87)	(21.95)	(7.31)	(18.98)
17 Basic and Diluted earnings per equity share from discontinued operations	(0.00)	(0.00)	(9.26)	(0.09)	(10.14)	(11.07)
18 Basic and Diluted earnings per equity share from continuing and discontinued operations	(2.18)	(11.17)	(14.13)	(22.04)	(17.45)	(30.05)

Audited Standalone Financial Performance Q3 FY20



Particulars		Standalone					
		Quarter ended			Nine Months Ended		Year Ended
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	34.35	38.34	82.27	102.78	257.22	311.96
	(b) Other income	2.82	3.40	40.48	9.86	67.17	76.61
	Total Income	37.17	41.74	122.75	112.64	324.39	388.57
2	Expenses						
	(a) Cost of services rendered	35.59	32.53	54.77	85.69	154.08	212.76
	(b) Employee benefits expense	2.22	2.69	4.91	8.39	13.02	17.41
	(c) Finance costs	52.57	76.94	27.74	146.12	90.42	116.92
	(d) Depreciation and amortisation	6.96	14.41	33.23	35.21	102.49	123.72
	(e) Impairment Losses	(22.35)	217.73	-	306.54	-	53.45
	(f) Other expenses	2.45	15.54	27.61	21.95	33.64	13.95
	(g) Loss on Sale / Discard of Fixed Asset	-	-	73.50	-	73.50	73.50
	(h) Provision for doubtful debts/advances	-	-	77.26	-	77.26	95.60
	Total expenses	77.44	359.84	299.02	603.90	544.41	707.31
3	Profit/(loss) from operations before exceptional items and tax (1-2)	(40.27)	(318.10)	(176.27)	(491.26)	(220.02)	(318.74)
4	Exceptional items	-	-	-	-	-	(181.38)
5	Profit/(loss) before tax from Continuing Operations (3 - 4)	(40.27)	(318.10)	(176.27)	(491.26)	(220.02)	(500.12)
6	Tax expense						
	Current tax (including earlier year adjustment)	(1.30)	(1.30)	(7.05)	(3.90)	(9.73)	(11.33)
	Deferred tax (net)	-	-	-	-	-	-
7	Net profit/(loss) after tax from Continuing Operations (5-6)	(41.57)	(319.40)	(183.32)	(495.16)	(229.75)	(511.45)
	Discontinued Operations						
	Net profit/(loss) before tax from discontinued operations	-	-	-	-	-	-
	Tax (expenses) / benefit of discontinued operations	-	-	-	-	-	-
8	Net profit/(loss) after tax from Discontinued Operations	-	-	-	-	-	-
9	Net profit/(loss) after tax	(41.57)	(319.40)	(183.32)	(495.16)	(229.75)	(511.45)
10	Items that will not be reclassified to statement of profit and loss						
	Remeasurement gains/(loss) of defined benefit plans	(0.08)	(0.03)	(0.06)	(0.14)	(0.04)	(0.12)
	Total Other comprehensive income/(loss)	(0.08)	(0.03)	(0.06)	(0.14)	(0.04)	(0.12)
11	Total comprehensive income/(loss) for the period/year (comprising profits and other comprehensive income for the period/year) (9+10)	(41.65)	(319.43)	(183.38)	(495.30)	(229.79)	(511.57)
12	Profit/(Loss) attributable to for the period (net of tax)						
	Owners of the company	(41.57)	(319.40)	(183.32)	(495.16)	(229.75)	(511.45)
	Non controlling interest	-	-	-	-	-	-
13	Other comprehensive income/(loss) for the year (net of tax)						
	Owners of the company	(0.08)	(0.03)	(0.06)	(0.14)	(0.04)	(0.12)
	Non controlling interest	-	-	-	-	-	-
14	Total Comprehensive Income/(Loss) for the period / year attributable to						
	Owners of the company	(41.65)	(319.43)	(183.38)	(495.30)	(229.79)	(511.57)
	Non controlling interest	-	-	-	-	-	-
15	Paid up equity share capital (FV of Re.1 per share)	30.25	30.25	30.25	30.25	30.25	30.25
16	Basic and Diluted earnings per equity share from continuing operations	(1.37)	(10.56)	(6.06)	(16.37)	(7.60)	(16.91)
17	Basic and Diluted earnings per equity share from discontinued operations	-	-	-	-	-	-
18	Basic and Diluted earnings per equity share from continuing and discontinued operations	(1.37)	(10.56)	(6.06)	(16.37)	(7.60)	(16.91)



THANK YOU