

Ref: ML/SE/2018-19/32



February 13, 2019

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

Dear Sir/Madam,

Sub: Investor Presentation

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

Thanking you,

Yours faithfully,
For **Mercator Limited**

Sangeetha Pednekar
Company Secretary & Compliance Officer



MERCATOR LIMITED
(CIN : L63090MH1983PLC031418)



EARNINGS PRESENTATION

Q3 FY19



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Key Highlights – Q3 & 9M FY19



Particulars (Consolidated) (Rs. Cr.)	Q3FY19	Q2FY19	9MFY19
Operating Income	267	214	691
EBITDA	(88)	70	49
Adjusted EBITDA	29	70	166
PAT	(450)	(32)	(529)
Adjusted PAT	(52)	(19)	(105)

EBITDA – Impacted by

- Non Cash items – Loss on sale of vessels & Provision for doubtful debts
- Low coal prices amid force majeure in China, currently coal prices are improving

Coal

- Adjusted PAT Positive for Q3 FY19 & 9MFY 19
- Q3 Sales volume of own coal @ 0.53 Mn MT – 39% higher as compared to Q2
- 3rd party logistics segment sales at all time high, 0.84 Mn MT for Q3FY19 and 1.85 Mn MT in 9MFY19
- Low margins due to sudden fall in coal prices, margins expected to improve as the coal prices rebound

Oil

- Commenced Sales & realization of 4,273 Bbls from 1st exploratory well
- Production from 2nd exploratory well to commence in March '19
- Long term sales agreement with Indian Oil Corporation Ltd. Is under finalization

Dredging

- Order book of INR 292 Crores incl. L1 status for Paradip port project
- London court upheld arbitration award from DCI in favour of Mercator Limited amounting to ~ INR 50 crores

Shipping

- Locked in new time charter contract with IOCL for 12 Months (incl. Options) for one MR Tanker
- Sold 2 old ships, nearing the end of their lifecycle
- VLCC accounted as held for sale; expected sales value **at 16x of actual contribution to trailing EBITDA**

Deleveraging & Balance Sheet Reset

- **Promoters Pledge** reduced by 16% since Sept '18
- **Debt reduced** by INR 126 Crores in Q3FY19 incl. positive forex impact of INR 49 Crore
- Further, **INR 242 crore to be repaid** by end of Q4 on account of proposed sale of loss making VLCC
- **London court upheld arbitration award from DCI in favour of Mercator Limited amounting to INR 50 crores**

Particulars (Consolidated) INR Cr)	Q3FY19	9MFY19
PAT	(450)	(529)
Impacted By - Non Cash Items		
- Loss on sale of 2 Vessels	74	74
- Provision for doubtful debts & advances	201	201
- Credit balances written back	-157	-157
- Sale of VLCC Discontinuing operations	280	306
Adjusted PAT	(52)	(105)

RATIONALE FOR SALE OF 3 SHIPS

Old Ships & Loss making – Contributing Total EBITDA of INR 44 Cr p.a. against corresponding debt of ~ INR 416 Cr
Debt reduction of INR 286 Cr by sale of Vessels
=> 6.5 Years EBITDA Recovery

Impact on PBT by sale of ships	INR Cr (p.a.)
Reduction in Interest costs	25
Reduction in depreciation	48
Reduction in dry dock expenses	25
Less: Reduction in EBITDA *	(44)
Exp. Positive Impact on Future PBT (p.a.)	53

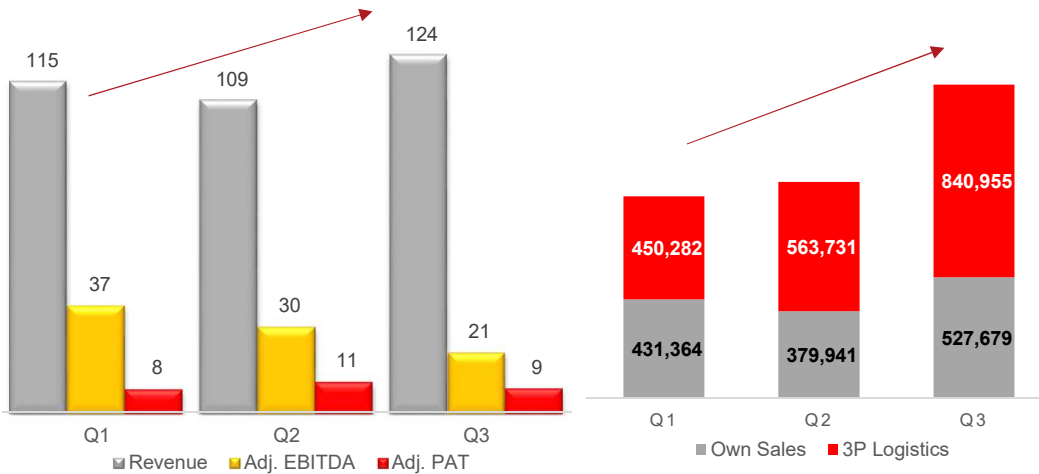
* Basis last 9 months annualized earnings

Key Highlights – Q3 & 9M FY19

Coal – Mining & Logistics

OPERATING INCOME (INR Cr)

COAL SALE (MT)



✚ 45% Higher Q3FY19 Total Sales Volume as compared to Q2FY19

✚ High Volume of sales despite stressed market rates in Q3FY19

✚ Coal rates witnessing improvement amid strong global demand

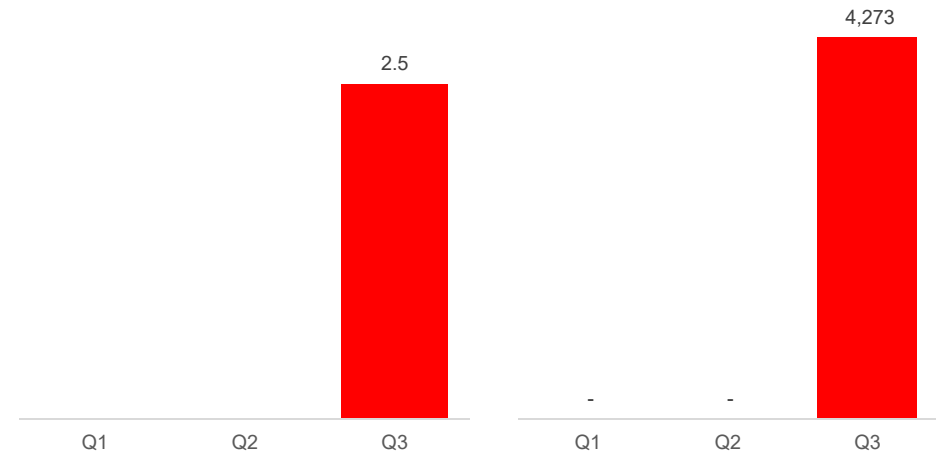
✚ Due to declining Coal prices in Q3 FY19, the Company decided to remove higher overburden. This will help in ramp up of production when Coal prices correct with lower operating cost & efforts



Oil & Gas

OPERATING INCOME (INR Cr)

OIL SALES (BBLs)



✚ Oil production began from Sept '19 & Commercial sales of 4,273 barrels concluded at first oil well in Q3FY19

✚ Production from 2nd well (Jyoti – II) expected to commence from Mar '19; site mobilization in process. Delay due to non availability of equipment

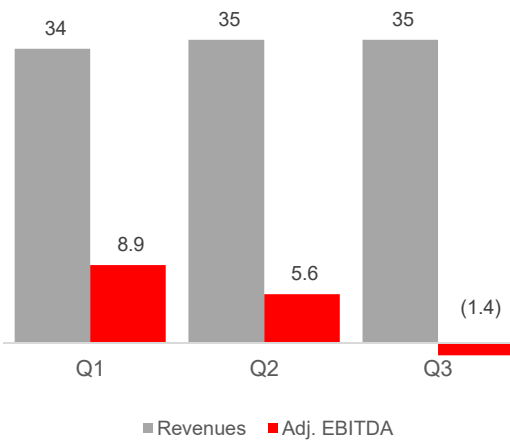
✚ Capex to be incurred for 3 developmental wells for ramp up of production to peak level of ~ 6000 Barrels/Day by Q4 FY20. Capex funding is under finalization.

Key Highlights – Q3 & 9M FY19

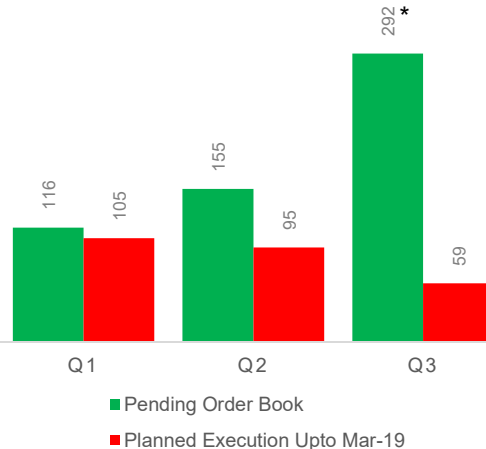


Dredging

OPERATING INCOME (INR Cr)

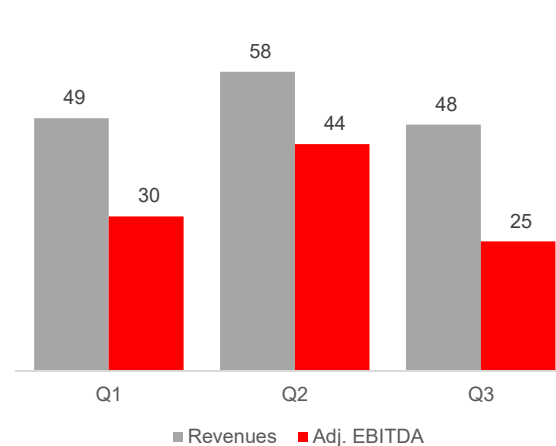


ORDER BOOK (INR CR)

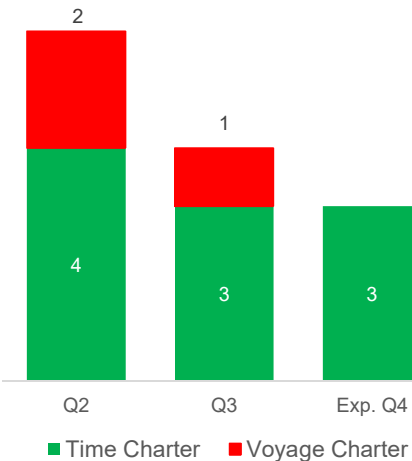


Shipping

OPERATING INCOME (INR CR)



NUMBER OF SHIPS



- Q3 FY19 EBITDA in line with expectations due to planned maintenance of 2 dredgers
- Dredging order book up 2.5x between Q1 FY19 to Q3FY19, driven by new tenders
- Order pipeline stands at INR 292 Crores at the end of Q3 FY19, of which INR 59 crores is to be executed in Q4 FY19 itself

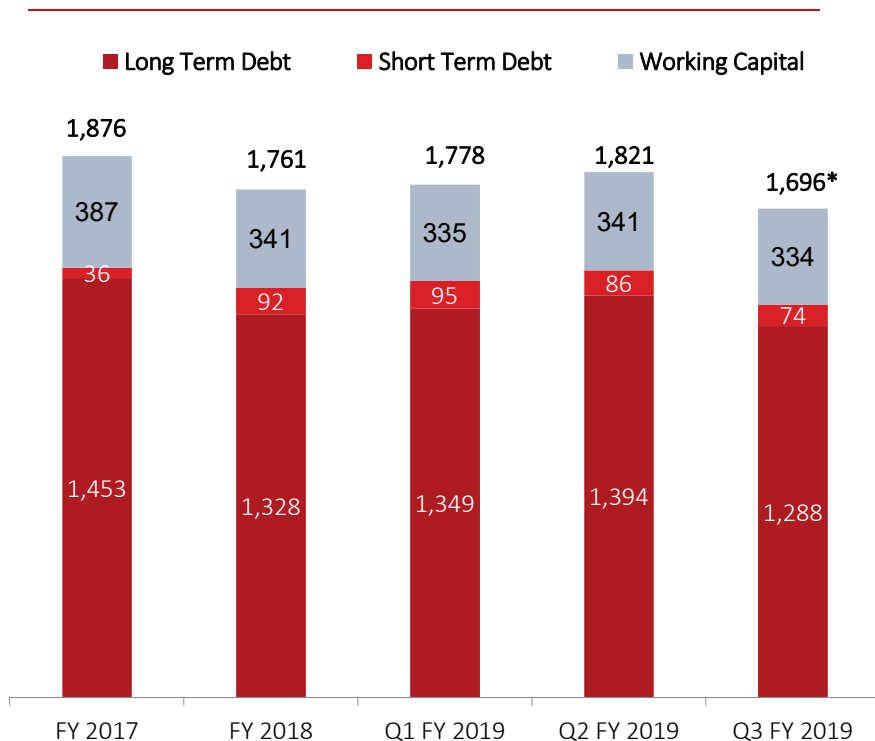
* Including L1 status for Paradip Port project. Award yet to be received.

- Locked in new time charter contract with IOCL for 12 Months (incl. Options) for one MR Tanker
- Sale of high-value VLCC vessel expected in Q4 FY19; all proceeds to be used for deleveraging, will help in improving PBT
- PBT expected to rise with the sale of loss making ships

De-Leveraging Status and Debt Maturity Profile – Q3 FY2019



De-Leveraging Status



Debt Restructuring Plan

- INR 242 crore to be repaid by end of Q4 on account of proposed sale of VLCC
- Already in talks with lenders for restructuring of long-term debt
- Debt restructuring discussions expected to be completed by H1FY20
- Other measures for debt reduction already undertaken:
 - ✓ Sale of shipping vessel
 - ✓ Internal accruals

* Debt reduced by INR 126 crores including:

- positive forex impact of INR 49 Cr in Q3FY19
- Repayment of debts for INR 77 Cr in Q3FY19 (includes repayment out of proceeds of sale of 2 Vessels in Q3FY19 and rest out of internal accruals)

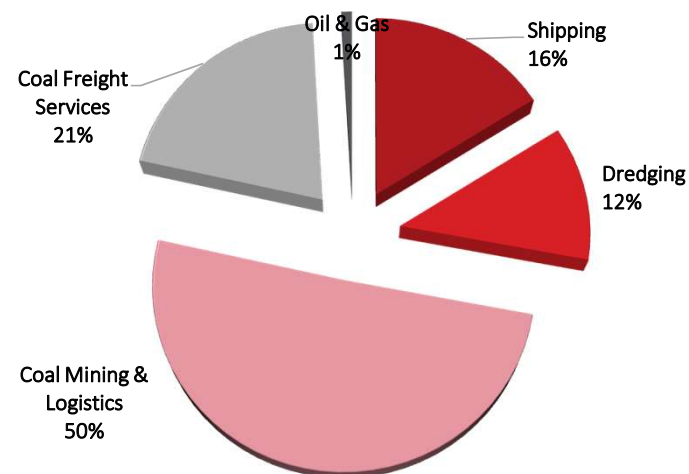
All figures in INR crores

Q3FY19: Operating Performance

Particulars (Consolidated)	Q3FY19	Q3FY18	Q2FY19	FY18
Operating Income	267	195	214	932
Other Income	2	2	2	36
Credit balances written back	157	-	-	-
Total Income	427	197	216	968
Expenses	314	214.8	146	833
Provision for doubtful debts & advances	201	2	-	9
EBIDTA	-88	-18	70	127
Margin	-21%	-9%	32%	13%
Adjusted EBIDTA	29	38	70	257
Margin	7%	19%	32%	27%
PBT	-161	-92	-11	-172
Reported PAT	-450	-105	-33	-278
Adjusted PAT	-52	-49	-19	-102

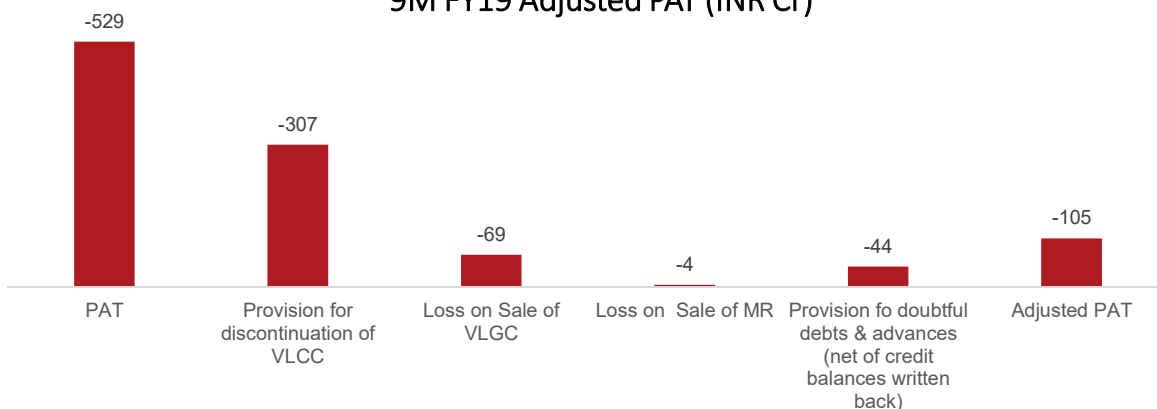
- Operating income up 37% Y-o-Y
- Positive Adjusted EBIDTA of INR 29 Crores in Q3FY19 and INR 167 Crores for 9MFY19

Q3 FY19 Revenue: Segmental Break-up



All figures in INR crores

9M FY19 Adjusted PAT (INR Cr)



Consolidated Q3 FY19 Adjusted EBIDTA & Adjusted PAT



EBIDTA				
Particulars (Consolidated)	Q3FY19	Q3FY18	Q2FY19	FY18
EBIDTA	(88)	(18)	70	127
Add: Adjustments				
Provision for Doubtful Debts (Net of credit balances written back)	44	2	-	9
Loss on sale of Vessels	74	37	-	65
Provision towards disruption in coal business	-	6	-	35
Provision towards slow moving old trading debtors	-	-	-	7
Impairment of Investment	-	-	-	4
Expenditure in respect of change orders in EPC project without corresponding increase in revenue	-	11	-	11
Adjusted EBIDTA	29	38	70	257

All figures in INR crores

PAT				
Particulars (Consolidated)	Q3FY19	Q3FY18	Q2FY19	FY18
Reported PAT	(450)	(105)	(33)	(278)
Add: Adjustments				
Provision for Doubtful Debts (Net of credit balances written back)	44	2	-	9
Discontinuing operations of VLCC	280	-	14	46
Loss on sale of Vessels	74	37	-	65
Provision towards disruption in coal business	-	6	-	35
Provision towards slow moving old trading debtors	-	-	-	7
Impairment of Investment	-	-	-	4
Expenditure in respect of change orders in EPC project without corresponding increase in revenue	-	11	-	11
Adjusted PAT	(52)	(49)	(19)	(102)

All figures in INR crores

Non cash loss on sale of Vessels – INR 74 crores & discontinuing operations of VLCC – INR 280 crores
Non cash provision for doubtful debts (net) – INR 44 crores

Consolidated 9MFY19 Financials

Particulars (Consolidated)	9MFY19	9MFY18	% Change
Operating Income	691	749	-8%
Other Income	8	10	-21%
Credit balances written back	157	-	100%
Total Income	856	759	13%
Expenses	606	659	-8%
Provision for doubtful debts & advances	201	9	
EBIDTA	49	91	-46%
<i>Margin</i>	6%	12%	
Adjusted EBIDTA	166	171	-3%
<i>Margin</i>	19%	23%	
Reported PAT	-529	-192	175%
Adjusted PAT	-105	-81	29%

All figures in INR crores

Particulars (Consolidated)	9MFY19	9MFY18
EBIDTA	49	91
Add: Adjustments		
Provision for Doubtful Debts (Net of credit balances written back)	44	5
Loss on sale of Vessels	74	37
Provision towards disruption in coal business	-	27
Expenditure in respect of change orders in EPC project without corresponding increase in revenue	-	11
Adjusted EBIDTA	166	171

KEY HIGHLIGHTS

- ✚ Adjusted EBITDA for 9M FY19 at INR 166 crores, largely stable YoY
- ✚ INR 157 crores worth of credit balances written back in Q3 FY19 while provision made for doubtful debts & advances worth INR 201 crores
- ✚ Expected rebound in Coal prices, higher sales volumes in Oil and around INR 59 crores of dredging orderbook expected to be executed in Q4 FY19
- ✚ Sale of VLCC ship to aid debt reduction as well as improve shipping segment profitability

Note:- The exceptional item of INR 11 Crores during 9M FY19 comprises of one-time settlement with vendors at our overseas subsidiaries w.r.t to legal disputes for past transactions for non-active businesses



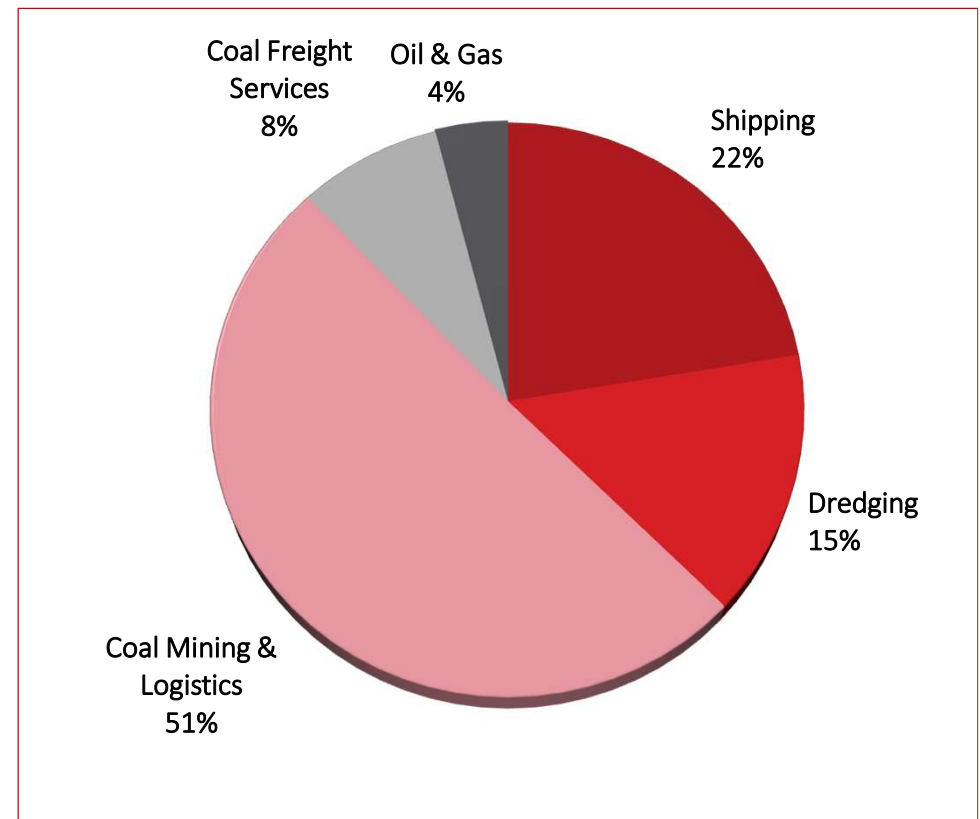
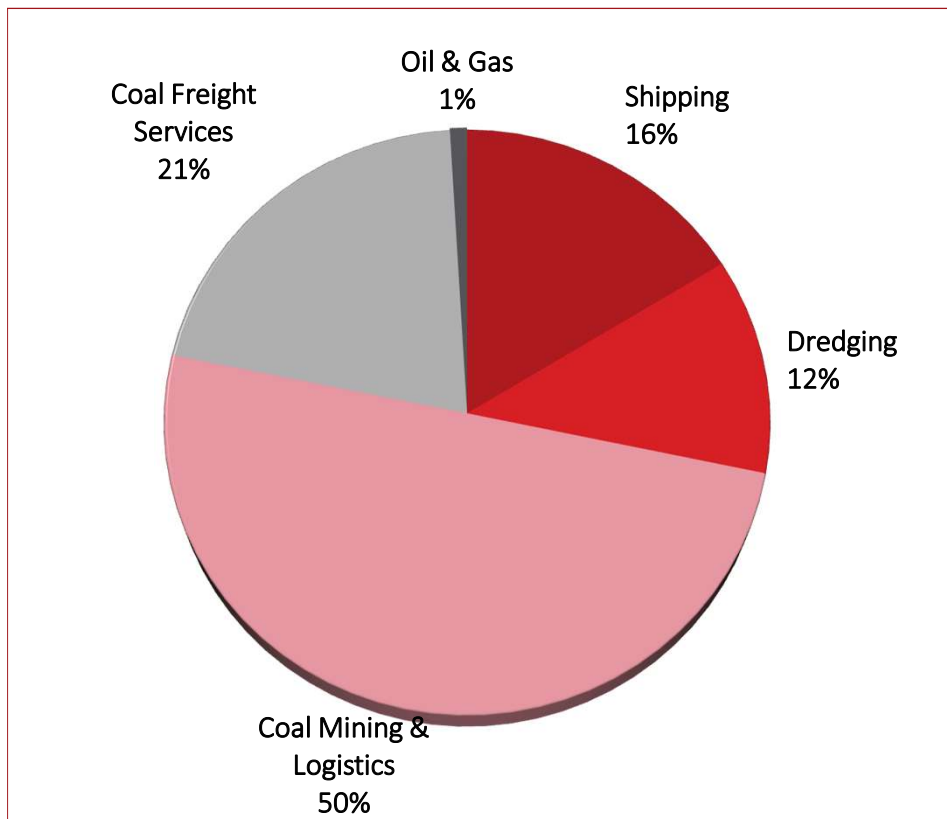
Q3FY19 Performance



Q3 FY19 & 9M FY19 Segmental Performance

Q3 FY19 Operating Income: INR 267 Cr

9MFY19 Operating Income: INR 691 Cr



Segment Wise Business Performance – Coal

Financial Highlights

- Sharp increase in revenues as compared to Q3 FY18
- Coal realisation down to Avg. US\$26/MT in Q3 FY19 from \$31/MT in Q2 FY19 due to which adjusted EBITDA margin reduced.
- Coal Prices are on a rebound since Jan 2019

Operational Highlights

- Q3 Sales volume of own coal @ 0.43 Mn MT – 14% higher as compared to Q2
- 3rd party logistics segment sales at all time high of 1.85 Mn MT in 9MFY19
- On track for increasing throughput in 3rd Party Logistics segment – expect significantly large volumes in FY20

Coal Mining & Logistics

INR Crore	Q3'19	Q3'18	Y-o-Y %	Q2'19	FY18
Operating Income	124.4	80.8	54%	108.8	493.9
Other Income	0.2	0.0		0.7	3.2*
Total Income	124.6	80.8	54%	109.5	497.1
Expenses	103.6	87.5	18%	79.4	427.4
Non-Cash Expense - Provision for doubtful debts & advances	99.0	-	100%	-	1.4
EBIDTA	(77.9)	(6.7)	1068%	30.0	68.3
EBIDTA %	-63%	9%		27%	14%
Adjusted EBIDTA	21.1	(0.5)	-4144%	30.0	132.9
Adjusted EBIDTA %	17%	-1%		27%	27%

* Excludes valuation gain of Rs. 18 Crores

Coal Freight Services

INR Crore	Q3'19	Q3'18	Y-o-Y %	Q2'19	FY18
Operating Income	55.2	-	100%	-	-
Expenses	54.4	-	100%	-	-
EBIDTA	0.8	-	100%	-	-
EBIDTA %	1%	0%		0%	0%

Segment Wise Business Performance - Shipping



Financial Highlights

- Drop in revenues by 4% y-o-y due to sale of two dry bulk carriers and an aged MR tanker in fiscal 2018
- Achieved strong Adjusted EBITDA margin of 50% despite depressed rates compared to Q3 of previous fiscal year

Operational Highlights

- Sold ships Vedika Prem and Sisouli Prem during Q3 FY19
- Locked in new time charter contract with IOCL for 12 Months (incl. Options) for one MR Tanker

VLCC – Nerissa

- Management has decided to sell VLCC for balance sheet de-leveraging. Made a provision of loss of INR 306.78 crores on account of discontinuing operations
- This will help cut operating losses

INR Crore	Q3'19	Q3'18	Y-o-Y %	Q2'19	FY18
Operating Income	47.6	49.7	-4%	57.8	239.1
Other Income	2.7	5.1	-48%	8.7	28.4
Total Income	50.2	54.9	-8%	66.5	267.5
Expenses	25.3	36.1	-30%	22.7	145.2
Non Cash Expenses -					
Loss on sale of Vessels	73.5	37.3	97%	-	65.0
Provision for doubtful debts & advances	8.3	-		-	4.0
EBIDTA	(56.8)	(18.5)	-206%	43.8	53.3
<i>EBIDTA %</i>	<i>-113%</i>	<i>-34%</i>		<i>66%</i>	<i>20%</i>
Adjusted EBIDTA	25.0	18.7	33%	43.8	122.3
Adjusted EBIDTA %	50%	34%		66%	46%

Rationale For Sale Of 3 Ships & Expected Impact

Old Ships & Loss making – Contributing Total EBITDA of INR 44 Cr p.a. against corresponding debt of ~ INR 416 Cr
Debt reduction of INR 286 Cr by sale of Vessels => 6.5 Years EBITDA Recovery

Impact on PBT by sale of ships	INR Cr (p.a.)
Reduction in Interest costs	25
Reduction in depreciation	48
Reduction in dry dock expenses	25
Less: Reduction in EBITDA *	(44)
Exp. Positive Impact on Future PBT (p.a.)	53

* Basis last 9 months annualized earnings

Segment Wise Business Performance - Shipping



Q3 FY19 Average Rates

Average (TCY \$ per day)	Q3 FY19	Q2 FY19	FY18
Product Tankers	\$ 11,521	\$ 11,521	\$ 12,135
FSO	\$ 26,000	\$ 26,000	\$ 26,000
VLCC	\$ 26,575	\$ 11,630	\$ 17,564

Q3 FY19 Revenue Days

	Q3 FY19	Q2 FY19
Revenue days	373.71*	498.40

**Reduction in revenue days since Vedika Prem under went technical off hire & lay up & sold subsequently.
Also, VLGC completed 1 Voyage in Nov-18 sold subsequently*

Revenue Coverage

Vessel Name	Charter Rates \$/Day	Contracted Till*
Prem Pride	26,000	Dec-20
Prem Mala	11,125	Jan-20
Hansa Prem	11,900	Mar-19
VLCC (Proposed for during Q4 FY19)	Spot Rates	Spot Market

**Including extension option with the charterers*

Segment Wise Business Performance - Dredging

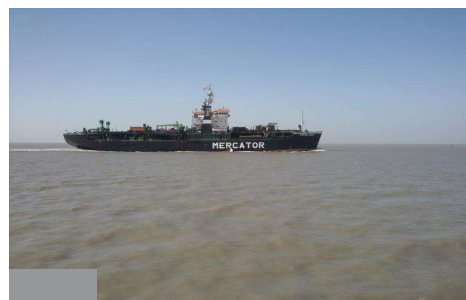
Operational Highlights

- The Company has bagged new contracts worth INR 69 Crores during 9MFY19. Major Contracts include:
 - Maintenance Dredging contract of Goa Naval worth INR 21.4 cr
 - Reclamation works of South-West cove at Jawahar Dweep worth INR 24.8 cr
- The Company is declared L1 for Paradip Port Contract of Rs. 168 Crores, to be executed during 3 years
- Revenues adversely impacted due to reduction in scope of work with Mumbai Port Trust (qty. reduced from c. 800,000 m3 to c. 50,000 m3)
- Veera Prem grounded due to Gaja cyclone. Efforts to float the vessel and Insurance claim is in process.
- Though Company was L1 for three bids worth Rs. 220 Cr, Contracts were not awarded due to discharge of tenders

INR Crore	Q3'19	Q3'18	Y-o-Y %	Q2'19	FY18
Operating Income	34.7	63.2	-45%	34.7	166.5
Other Income	1.8	2.5	-30%	5.8	14.0
Non-Cash Income - Credit balances written back	36.1	-	100%	-	-
Total Income	72.5	65.8	10%	40.5	180.5
Expenses	37.8	33.2	14%	34.9	131.2
Non-Cash Expense - Provision for doubtful debts & advances	92.7	2.0		-	3.5
EBIDTA	(58.0)	30.5	-290%	5.6	45.8
EBIDTA %	-80%	46%		14%	25%
Adjusted EBIDTA	(1.4)	32.5	-104%	5.6	49.3
Adjusted EBIDTA %	-2%	49%		14%	27%

■ Order book of INR 292* Crores – Target completion of INR 59 Crores before March 2019 and balance during FY 2020

* Incl L1 for Paradip Port Project, not yet awarded



Segment Wise Business Performance – EPC

Operational Highlights

- EPC contract for ONGC involving conversion of ONGC's mobile offshore drilling unit (Sagar Samrat) into mobile offshore production unit
- The Project has achieved c. 95% completion
- As per the contract, cost overrun and delays, due to undisputed latent conditions on the rig and defect in the front-end engineering design, are on ONGC's Account, which ONGC has expressly accepted. Due to this, ONGC extended contract timelines upto 30-Nov-18 and project was having steady progress
- Though the project was on tract to completion, ONGC wrongfully tried to invoke BGs worth Rs. 35.88 Cr & US\$ 15.21 Mn and terminated the contract on 25 Sep 2018. BG invocation and termination of contract have been stayed by Hon' Bombay High Court. The matter is currently sub-judice
- The Group is substantially taking legal steps against wrongful termination of contract by ONGC and there are good prospects of success in proving claims against ONGC

Segment Wise Business Performance – Oil & Gas

Financial Highlights

- Sold 4,273 barrels of oil to IOCL on Q3FY19 realized the same
- Production from Jyoti-II Well is expected to commence from March-19
- Long term sales agreement with Indian Oil Corporation Ltd. Is under finalization
- Capex to be incurred for 3 developmental wells for ramp up of production to peak level of ~ 6000 Barrels / Day by Q4FY20. Capex funding is under finalization.

INR Crore	Q3'19	Q3'18	Q2'19	FY18
Operating Income	2.5	-	-	-
Other Income	0.0	-	-	-
Total Income	2.5	-	-	-
Expenses	2.8	-	0.1	-
EBIDTA	(0.3)	-	(0.1)	-
EBIDTA %	-11%	0%	0%	0%



Jyoti I – Oil Well



Jyoti I – Oil Storage

Consolidated Financial Performance



Mercator Limited													
CIN NO : L63090MH1983PLCO31418													
Regd. Office: 3rd Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333													
Unaudited Financial Results For Quarter and Nine Months Ended December 31, 2018													
(Rs. in crore)													
Particulars	Consolidated						Standalone						
	Quarter ended			9 Months Ended		Year ended	Quarter ended			9 Months Ended		Year ended	
	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Income												
	(a) Revenue from operations	266.94	214.01	194.90	691.25	748.95	932.02	82.27	92.49	112.96	257.22	308.70	405.67
	(b) Other income	160.72	1.64	2.98	165.20	10.03	36.47	40.48	14.57	1.68	67.17	6.15	42.41
	Total Income	427.66	215.65	197.88	856.45	758.98	968.49	122.75	107.06	114.64	324.39	314.85	448.08
2	Expenses												
	(a) Cost of services rendered	206.80	123.37	155.05	457.54	548.95	643.45	54.77	50.66	62.09	154.08	185.76	244.28
	(b) Employee benefits expense	11.19	10.98	4.85	30.20	18.10	30.10	4.91	4.13	4.61	13.02	13.29	17.69
	(c) Finance costs	32.47	40.38	33.89	111.53	100.27	144.10	27.74	31.96	19.16	90.42	59.48	104.23
	(d) Depreciation and amortisation	40.56	40.60	39.12	121.80	133.82	154.44	33.23	34.16	40.48	102.49	126.54	137.76
	(e) Other expenses	297.80	11.68	56.90	319.67	100.89	167.99	178.37	2.86	41.93	184.40	51.57	86.94
	Total expenses	588.82	227.01	289.81	1,040.74	902.03	1,140.08	299.02	123.77	168.27	544.41	436.64	590.90
3	Profit/(loss) from operations before exceptional items and tax (1-2)	(161.16)	(11.36)	(91.93)	(184.29)	(143.05)	(171.59)	(176.27)	(16.71)	(53.63)	(220.02)	(121.79)	(142.82)
4	Exceptional items	-	-	-	(11.73)	-	-	-	-	-	-	-	-
5	Profit/(loss) before tax from Continuing Operations (3 - 4)	(161.16)	(11.36)	(91.93)	(196.02)	(143.05)	(171.59)	(176.27)	(16.71)	(53.63)	(220.02)	(121.79)	(142.82)
6	Tax expense												
	Current tax	(10.16)	(7.43)	(1.01)	(25.91)	(18.35)	(58.12)	(7.05)	(2.28)	(0.20)	(9.73)	(0.70)	(42.17)
	Deferred tax (net)	1.61	0.02	-	(0.12)	-	(2.12)	-	-	-	-	-	-
7	Net profit/(loss) after tax from Continuing Operations (5 - 6)	(169.71)	(18.77)	(92.94)	(222.05)	(161.40)	(231.83)	(183.32)	(18.99)	(53.83)	(229.75)	(122.49)	(184.99)
	Discontinued Operation												
	Net profit/(loss) before tax from discontinued Operation	(280.06)	(13.73)	(12.36)	(306.78)	(30.98)	(45.73)	-	-	-	-	-	-
	Tax (expenses) / benefit of discontinued operation	-	-	-	-	-	-	-	-	-	-	-	-
8	Net profit/(loss) after tax from Discontinued Operation	(280.06)	(13.73)	(12.36)	(306.78)	(30.98)	(45.73)						
9	Net profit/(loss) after tax	(449.77)	(32.50)	(105.30)	(528.83)	(192.38)	(277.56)	(183.32)	(18.99)	(53.83)	(229.75)	(122.49)	(184.99)

Consolidated Financial Performance



Regd. Office: 3rd Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333

Unaudited Financial Results For Quarter and Nine Months Ended December 31, 2018

(Rs. in crore)

Particulars	Consolidated						Standalone					
	Quarter ended		9 Months Ended			Year ended	Quarter ended			9 Months Ended		Year ended
	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
10	Items that will not be reclassified to statement of profit and loss											
	Remeasurement gains /(loss) of defined benefit plans											
	(0.10)	(0.16)	0.46	(0.06)	(0.16)	1.49	(0.06)	(0.16)	0.35	(0.04)	0.20	0.92
	Total Other comprehensive income /(loss)											
	(0.10)	(0.16)	0.46	(0.06)	(0.16)	1.49	(0.06)	(0.16)	0.35	(0.04)	0.20	0.92
11	Total comprehensive income /(loss) for the period/year (comprising profits and other comprehensive income for the period/year) (9+10)											
	(449.87)	(32.66)	(104.84)	(528.89)	(192.54)	(276.07)	(183.38)	(19.15)	(53.48)	(229.79)	(122.29)	(184.07)
12	Profit/(Loss) attributable to for the period (net of tax)											
	Owners of the company											
	(427.35)	(43.35)	(105.77)	(527.70)	(203.14)	(295.28)	(183.32)	(18.99)	(53.83)	(229.75)	(122.49)	(184.99)
	Non controlling interest											
	(22.42)	10.85	0.47	(1.13)	10.76	17.72	-	-	-	-	-	-
13	Other comprehensive income/ (loss) for the year (net of tax)											
	Owners of the company											
	(0.10)	(0.16)	0.46	(0.06)	(0.16)	1.24	(0.06)	(0.16)	0.35	(0.04)	0.20	0.92
	Non controlling interest											
	-	-	-	-	-	0.25	-	-	-	-	-	-
14	Total Comprehensive Income /(Loss) for the period / year attributable to											
	Owners of the company											
	(427.45)	(43.52)	(105.31)	(527.76)	(203.30)	(294.04)	(183.38)	(19.15)	(53.48)	(229.79)	(122.29)	(184.07)
	Non controlling interest											
	(22.42)	10.85	0.47	(1.13)	10.76	17.97	-	-	-	-	-	-
15	Paid up equity share capital (FV of Re.1 per share)											
	30.25	30.25	30.25	30.25	30.25	30.25	30.25	30.25	30.25	30.25	30.25	30.25
16	Basic and Diluted earnings per equity share from continuing operation											
	(4.87)	(0.99)	(3.26)	(7.31)	(6.34)	(8.21)	(6.06)	(0.63)	(1.86)	(7.60)	(4.44)	(6.52)
17	Basic and Diluted earnings per equity share from discontinued operation											
	(9.26)	(0.45)	(0.41)	(10.14)	(1.02)	(1.51)	-	-	-	-	-	-
18	Basic and Diluted earnings per equity share from continuing and discontinued operation											
	(14.13)	(1.44)	(3.67)	(17.45)	(7.36)	(9.72)	(6.06)	(0.63)	(1.86)	(7.60)	(4.44)	(6.52)



Q3FY19 Segmental Outlook



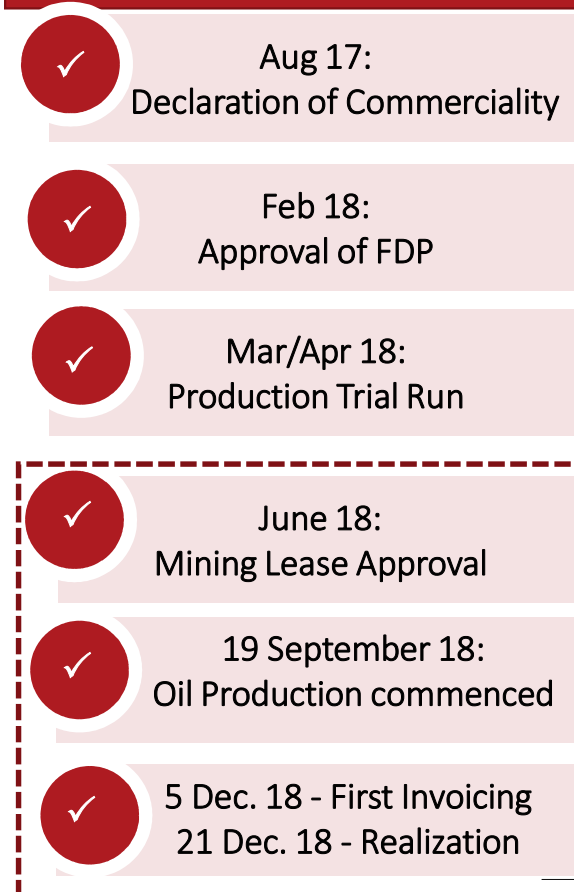
Onshore Oil & Gas Blocks

Delivering Strong progress in the E&P segment

- The State Government of Gujarat granted mining lease to Mercator Petroleum Limited on 27 June 2018 for production of oil in the discovered area*
- Mining Lease granted in June 2018 for a period of 20 years
- Oil Production commenced in Jyoti – 1 with initial run-rate of ~ 100 barrels/day
- 4273 barrels of oil sold to IOCL from Jyoti I & realized the same
- Jyoti – II to begin oil production from March, 2019 onwards
- Capex to be incurred for 3 developmental wells for ramp up of production to peak level of ~ 6000 Barrels / Day by Q4FY20. Capex funding is under finalization.

* Refers to Jyoti-1 & Jyoti-2 discoveries wherein the Director General of Hydrocarbons has approved development plan for over 23 mn Bbls of oil reserves

Timeline to Commercial Production



Coal – Significant Upside from FY20

Higher Production with a Larger Proportion of High Quality Coal

- Open cast coal mine in Indonesia with JORC reserves of c.26.3 mn MT of coal with 3,600/3,800/4,200 Kcal thermal coal
- Full ramp up achieved post temporary disruptions last year
- Strong Chinese demand supported coal prices
- Have commenced work for the proposed ramp of 4,200 Kcal coal
- Stable revenue from third party logistics



- **Expected Annual production**
 - FY19 c.2 mn MT with a 60:40 split between 3,700/3,800 Kcal and 4,200 Kcal coal; Average Realization – c.\$32/MT
 - FY20 c.2.4 mn MT with a 50:50 split between 3,700/3,800 Kcal and 4,200 Kcal coal; Average Realization – c.\$34/MT
- **Third party Infra volume**
 - FY19 - c.2.9 mn tonne at c.\$4.75/MT
 - FY20 - c.4.5 mn tonne at c.\$3.75/MT

Dredging – Strong Govt Focus

Key Opportunities being Explored

- Marine Civil Works: river bank protection, coastal defense, coastal protection works
- National Waterways: de-silting of dams, reservoirs, lakes
- Trenching Activities: Diversify into oil and gas trenching works for laying submersible pipeline – Explore JV Options
- Projected capacity utilization at optimal levels
- Maintaining bid success rate at 50%+
- The demerger of dredging business is kept in abeyance till build-up of a large sized order book

- Govt's Sagarmala Plan – INR 50,000 million allocated towards Dredging of Indian Waterways
- INR 50,000 million allotted towards Marine Civil Works under the Coastal defense & Coastal protection plan

Exploring Geographical Diversification

Orders in hand pending execution in Q4FY19 out of current order book of INR 292 Cr * INR 59 Crores

Additional Expected Order Inflow (in addition to L1 status for Paradip Port Contract of Rs. 168 Crores) INR 100-170 Crores

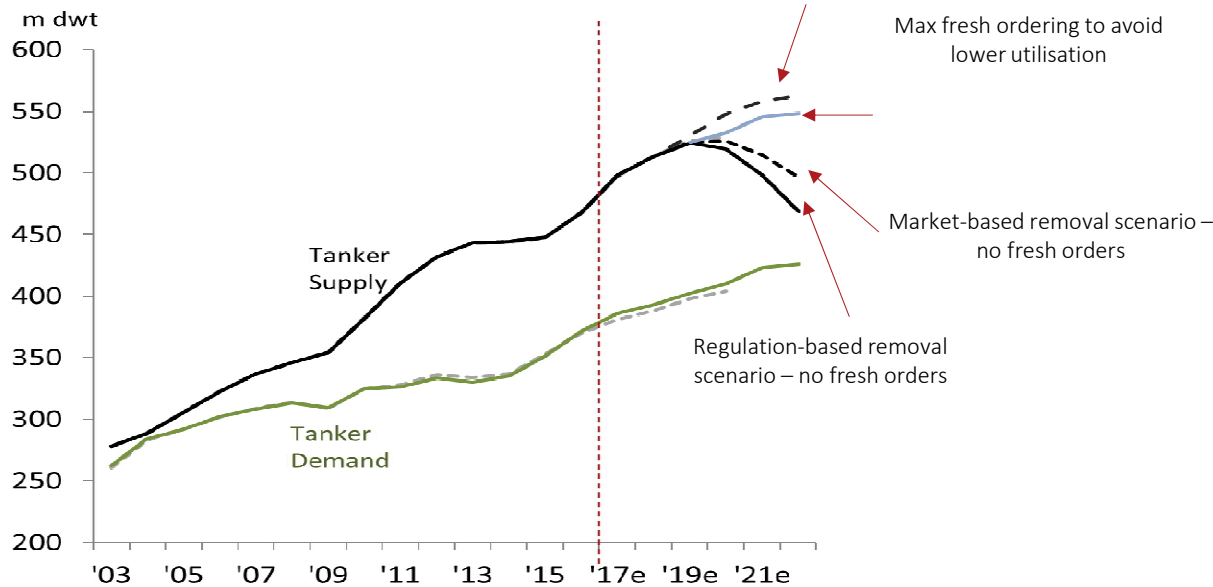
* Including L1 for Paradip Port Contract of INR 168 Crores, to be executed during 3 Years commencing from FY20

Significant award of new contracts expected in Q4FY19

Shipping

Repetition of 5 year average ordering patterns

Tanker Supply & Demand



Outlook FY19
 As the demand-supply gap within the Tanker industry narrows down from FY18 onwards, VLCC Charter rates started rebounding from Oct '18 onwards and peaked in Dec '18. Now gradually the rates are softening.

The Group has encashed the ramped up rates scenario by contracting sale of VLCC at most appropriate price.



Corporate Overview



Mercator Group at Glance



About Us

- Mercator Group has diversified business interests in **Shipping, Dredging, Coal and Oil & Gas**
- Listed on **NSE & BSE in India** since 1994
- **Strong track record** for performance and corporate governance
- Amongst the **largest private sector dredging company** in India
- Presence in oil upstream sector with **two oil discoveries** in Cambay Basin in Gujarat, India
- Government of Singapore holds about 8% in Mercator, increased its stake in November 2017
- Presence in India, Singapore, Indonesia & Mozambique

Awards and Accolades

- Mercator was awarded "**Global Entrepreneur of the Year 2010**" by CNBC-TV18 and ICICI Bank, India
- Mr. H. K. Mittal received "**Entrepreneur of the Year 2005-06**" from the then Hon'ble Prime Minister of India
- Mr. H. K. Mittal received "**Entrepreneur of the Year 2005**" (Service Sector) from Ernst & Young
- Mercator received "**Star Company of the Year across all Sectors**" by Business Standard, 2004
- Mercator Lines (Singapore) ranked amongst the **top 50 Singapore public listed companies** according to the Governance and Transparency Index (GTI) jointly conducted by NUS and Business Times in June 2011

Mercator Group at Glance

Energy focused group with operations spread across various geographies (both on-shore and off-shore)

1 Dredging

- Primarily serves the major ports of India through maintenance contracts



9 Dredgers with capacities ranging from 4,500 m³ to 10,000 m³

- Key Clientele include Paradip Port, New Mangalore Port, Cochin Navy, Goa Navy
- Amongst the largest private sector dredging company in India

3 Shipping

- Wet Bulk & Gas Carrier



Wet Bulk

2 Product Tankers
1 Floating Storage Offloading
1 VLCC

2 Oil & Gas

- Exploration & Production and EPC



E&P

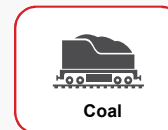
On-shore oil block in India with over 23 MN Barrels of proven reserves and significant upside

EPC

Executing EPC contract awarded from ONGC for conversion of MODU to MOPU

4 Coal

- Mining, Trading, & 3rd Party logistics solutions



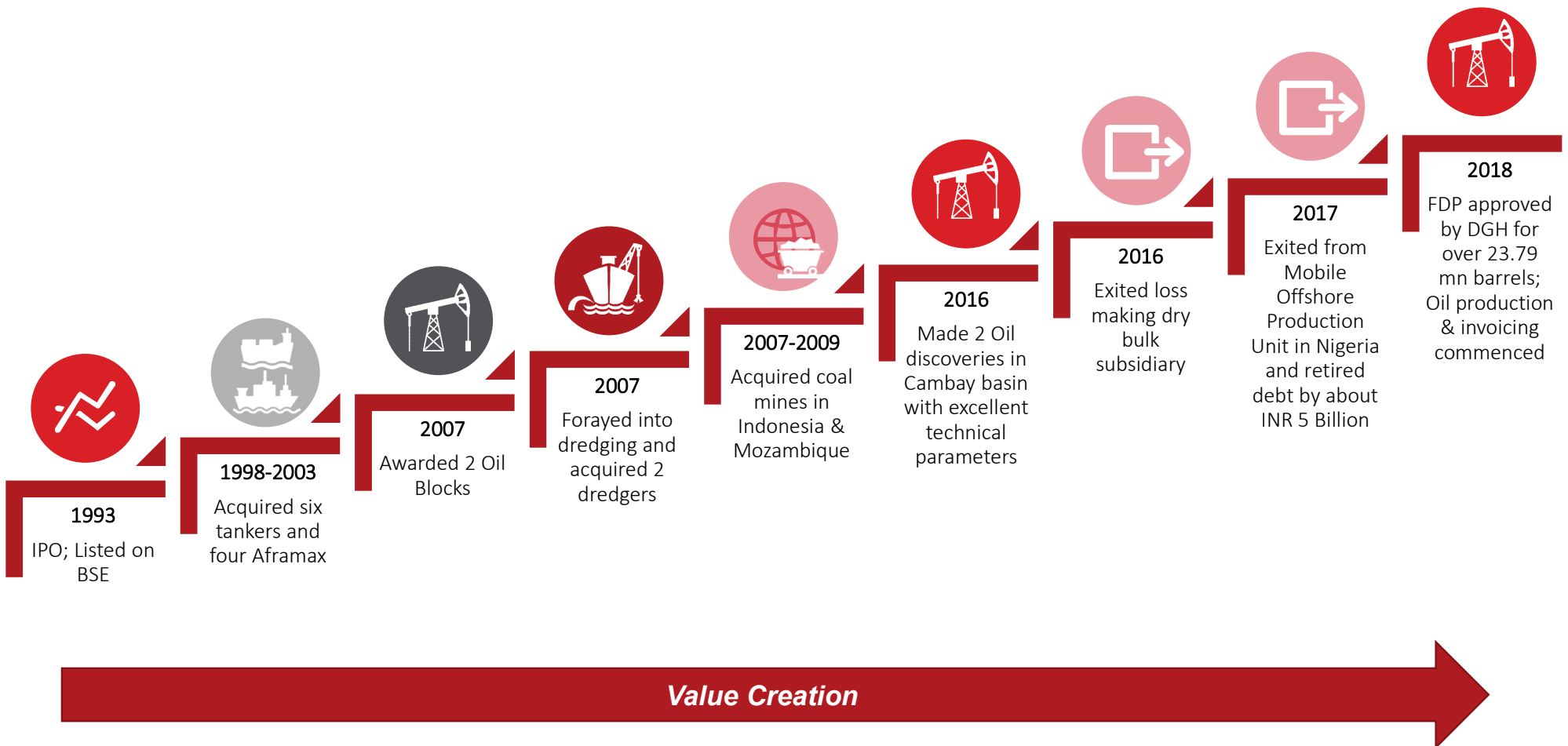
Mining

Indonesia – 1 Operational Mine
Mozambique – 1 Mining license

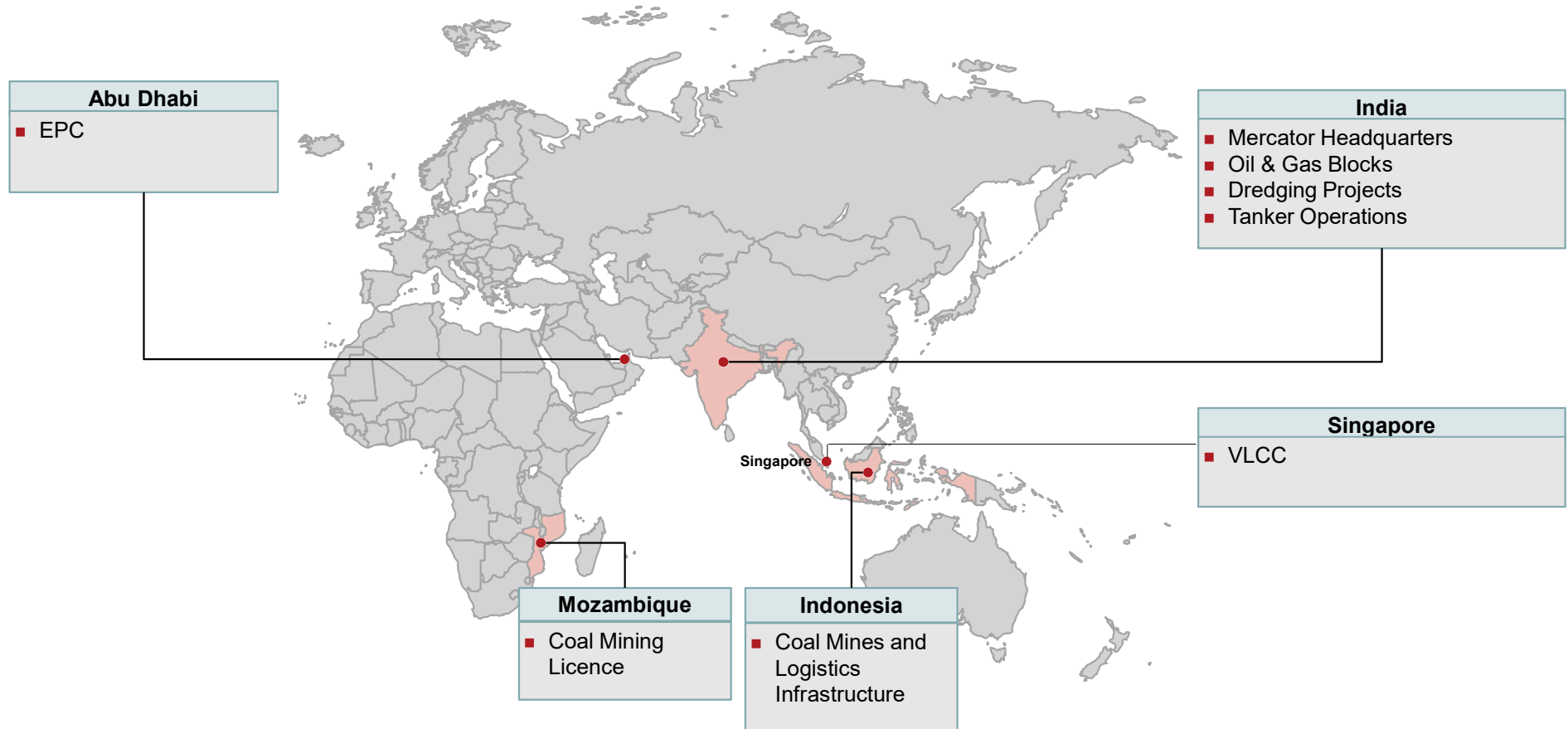
Infrastructure

Haul Road, Crushing, Loading Operations, Jetty

Key Milestones during our journey



Global Presence



Strong Leadership Team



Mr. HK Mittal
Executive Chairman

Mr. H.K. Mittal, Executive Chairman, is an alumnus of IIT-Roorkee. He acquired Mercator Ltd. in 1988 and with his vision has brought the company where it is today. His passion drove the business both vertically & horizontally.



Mr. Shalabh Mittal
Chief Executive Officer

Mr. Shalabh Mittal is the Chief Executive Officer of the Company. He holds a Master's Degree in S. P. Jain Inst. of Mgmt. and Research. He is also alumnus of Harvard Business School, USA. His primary role is to manage and supervise business operations of the Company effectively in accordance with the overall strategies and policies of the Company.



Mr. Adip Mittal
Head – Oil & Gas Business division

Mr. Adip Mittal is the Head – Oil & Gas Business division of the Company since March 30, 2017. He holds a degree of Bachelors of Arts from the Ohio State University and majored in Economics with a minor in Business Administration. He also holds Masters in Shipping, Trade & Finance from Cass Business School, City University, London, UK. When he joined our Company, he was actively involved with dredging and tanker divisions and new projects of our Company.



Mr. Rajendra Kothari
Chief Financial Officer

Mr. Rajendra Kothari is a fellow member of Institute of Chartered Accountants of India and an associate member of the Institute of Company Secretaries of India. He has over three decades of experience in various industries in the fields of Finance, Treasury, Accounting, Direct and Indirect Taxation, Legal, Company Secretarial and Risk Management functions; besides he also has in-depth business experience in handling the functions of Procurement, Supply Chain Management, Human Resources and Information Technology.

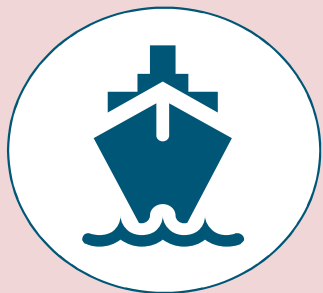


Mr. Gurpreet Malhi
Chief Operating Officer

Mr. Malhi is MBA from HEC School of Management, Paris and Master Mariner from Director General of Shipping, Mumbai and also holds Bachelor's Degree in Commerce from Delhi University. He has more than 25 years of experience in shipping, ports, logistics & maritime sector with strong focus on strategy, operations, business development, legal, finance & change management

Our Strong Asset Base

Shipping



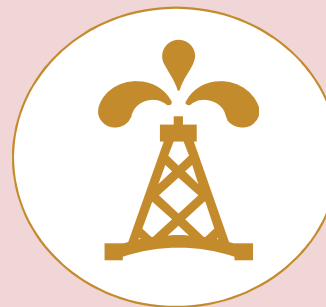
Fleet	DWT	No.	Avg Age
Product Tanker	83,076	2	20
Floating Storage Offloading	109,415	1	19
VLCC	299,235	1	12
Total Wet Bulk	491,726	4	18

Dredging



Type of Dredger	Hopper Capacity
TSHD	11300
TSHD	7450
TSHD	7598
TSHD	5433
TSHD	4568
TSHD	2600
GD Hopper	870
Bucker Ladder	NA
CSD	NA
Total	39,819

Oil and Gas



~24 mn barrels of proven & recoverable light crude oil

Coal



Open cast mine in Indonesia with over 26 MMT reserves

Mining license in Mozambique

20+ km of All-weather haul road

Stockpile with stacker & re-claimer

Fixed & mobile crushing units

Conveyor belt loading facility directly onto barges

160 m of dedicated waterfront for barge loading

Own Jetty with ample spare capacity

Clientele

Some of Mercator's clientele





THANK YOU