

November 06, 2017

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. Same is available on website of the Company i.e. www.mercator.in

Thanking you,

Yours faithfully,
For Mercator Limited



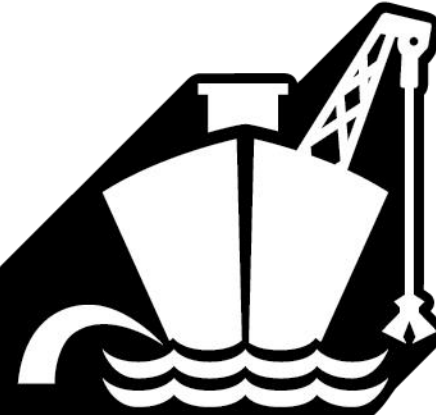
Suhas Pawar
Company Secretary



CORPORATE PRESENTATION
November 2017



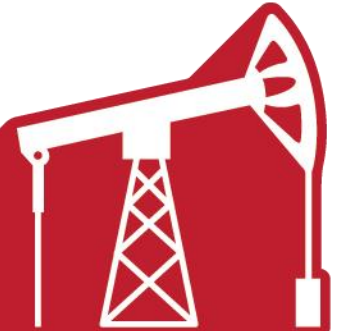
COAL



DREDGING



SHIPPING



OIL & GAS



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MERCATOR ON MAP





Company Profile

1

Commenced our business in 1983, current Promoters took over our Company in 1988

2

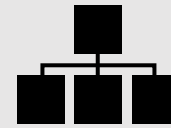
IPO in 1993 with listings on the BSE and NSE. FCCBs issued in 2014 are listed on the SGX.

3

Diversified from being a traditional shipping company and forayed into different business segments

4

Currently an “Energy focussed conglomerate” with operations spread across various geographies both onshore and offshore



Key Lines of Business

1

Dredging – Serves mainly via Maintenance dredging the Major Ports of India

2

Oil & Gas – Exploration & Production and EPC

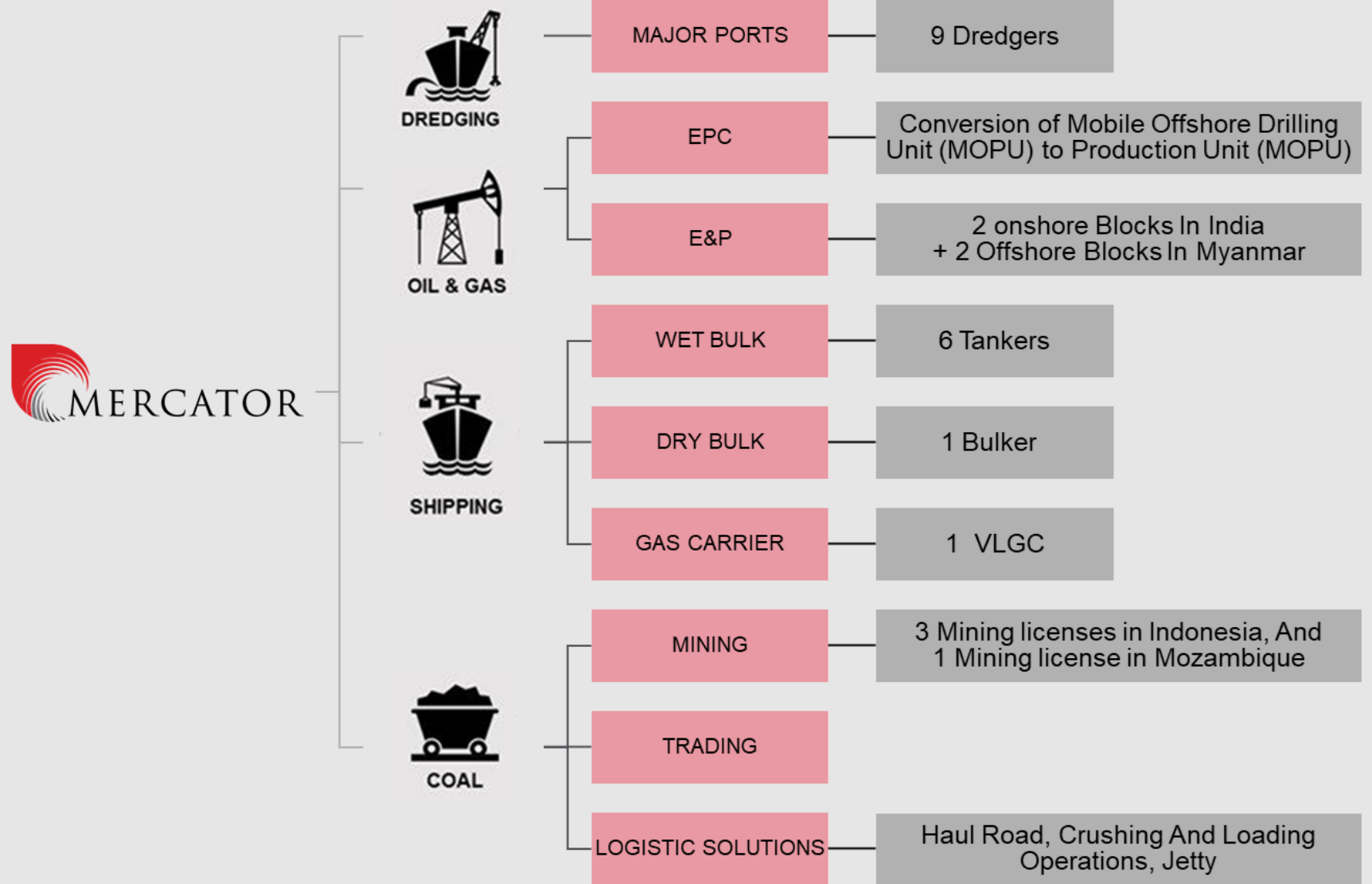
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Shipping – Wet Bulk, Dry Bulk & Gas carrier

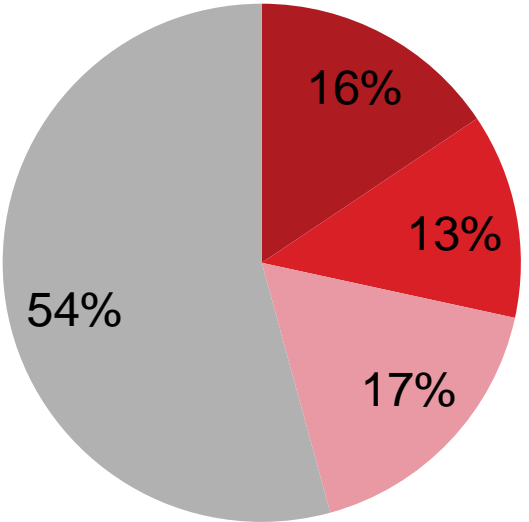
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Coal – Mining, Trading and 3rd Party logistic Solutions

Mercator: At a Glance (2/2)



Segment Revenue FY17



■ Oil & Gas ■ Dredging
■ Shipping ■ Coal

Consolidated Financial Performance

EBITDA and Depreciation includes the impact of sale of MoPU in Q4FY17

INR MN	Q1FY 18	Q1FY 17	FY 17
Revenue	3,043	5,861	22,716
Expenses	2,308	4,189	16,614
EBITDA	735	1,672	6,102
Interest	395	572	2,416
Depreciation	542	874	3,186
PBT	(202)	225	500
Tax	(85)	(4)	(212)
PAT	(287)	221	288
OCI Adjustment	(2)	0	(4)
Comprehensive Income	(289)	221	284
Minority Interest	(114)	(55)	(42)
Attributable PAT	(403)	166	241
EPS (Rs/Share)	(1.61)	0.67	0.97

Board of Directors



Mr. H. K. Mittal - Executive Chairman and Promoter, 68 years of age, is the Executive Chairman and Promoter of our Company. He acquired our Company in 1988. He has obtained his Bachelor's degree in Science from Meerut University in 1970 and a Master's degree in Technology from Indian Institute of Technology-Roorkee in 1973. He has been awarded the Distinguished Alumnus Award in the year 2010 from Indian Institute of Technology-Roorkee. He has also been awarded the 'Entrepreneur of the Year' award by Ernst & Young in the year 2005 and the Economic Times award for Corporate Excellence in the year 2006. He is also the Chairman of the Board of Directors of our Subsidiaries, namely, Mercator Oil and Gas Limited, Mercator Dredging Private Limited (formerly known as Mercator FPSO Private Limited) and Mercator Petroleum Limited.



Mr. M. M. Agrawal - Independent & Non-Executive Director, 67 years of age, is the Non- Executive Independent Director of our Company. He has obtained his Bachelors' degree in Engineering from Nagpur University in the year 1971. He has about 35 years of vast experience in the Banking and Finance industry. He is one the board of several companies such as Essar Power Hazira Limited, Essar Power Transmission Company Limited, Jaguar Overseas Limited, Bombay Rayon Fashions Limited, Srei Mutual Fund Asset Management Private Limited, NSL Renewable Power Private Limited and Hindustan Powerprojects Private Limited. He has been associated with our Company since 2011.



Mr. Gunender Kapur - Independent & Non-Executive Director, 56 years of age, is the Non- Executive Independent Director of our Company. He is a Mechanical Engineer from BITS – Pilani and holds a Masters' degree in Business Administration from FMS Delhi University. He has been associated with our Company since August 2014. He has also been co-opted as a member of the Audit Committee of the Board of Directors of our Company.



Mrs. Archana Mittal - Promoter & Non-Executive Director, 63 years of age, is the Promoter and the Non-Executive Non- Independent Director of our Company. She has been associated with our Company since 1988. She is also one of the promoters of our Company and was on the Board of our Company during the period May 1988 to June 1992. She is also a director of MHL Healthcare Limited. She is actively involved in philanthropy and social work through the Family Trust Prem Punita Foundation.



Mr. Desh Raj Dogra – Independent & Non-Executive Director, 63 years of age, is the Non- Executive Additional Independent Director of our Company. He joined our Company on February 15, 2017. He has over 39 years of experience in the financial sector, mainly in the areas of banking and credit rating.

Key Management Personnel



Mr. Shalabh Mittal
Chief Executive Officer

- Mr. Shalabh Mittal, 38 years of age, is the Chief Executive Officer of the Company with effect from May 27, 2016. He holds a Master's degree in Commerce from Sydenham College, University of Mumbai in May, 2001 and a Post-Graduation Diploma in Business Administration from the S. P. Jain Institute of Management and Research, Mumbai in June, 2001. He is also alumnus of Harvard Business School, Boston, 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, aged 32 years is the Head – Oil & Gas Business division of the Company since March 30, 2017. He also holds a degree of Bachelors of Arts from the Ohio State University and majored in Economics with a minor in Business Administration. When he joined our Company, he was actively involved with dredging and tanker divisions and new projects of our Company.



Mr. Kiran Vaidya
Officiating Chief Financial
Officer

- Mr. Kiran Vaidya, 57 years of age, is the Officiating Chief Financial Officer of the Company with effect from May 30, 2017. He is qualified Cost & Works Accountant and is a member of the Institute of Cost & Works Accountant since 1987. He was appointed as an Officiating Chief Financial Officer of the Company with effect from May 30, 2017. He has a cumulative experience spanning over 30 years in the field of working capital management, project finance, fund raising and mergers and acquisitions.



Mr. Suhas Pawar
Company Secretary

- Mr. Suhas Pawar, 32 years of age, is the Company Secretary and Compliance Officer of the Company designated as Assistant Manager – Secretarial with effect from April 10, 2017. He is a member of the Institute of Company Secretaries of India since December 2013 and holds a B.Com Degree from the University of Mumbai having passed out in March 2005. He also obtained an LL.B degree from the University of Mumbai in the year 2009.

BUSINESS STRENGTHS

Diverse Business Offerings



- *Large & diverse business portfolio*
- *Enterprise opportunities that come up from time to time*

Experienced Leadership



- *Extensive experience and expertise of promoters & board of directors*
- *Healthy blend of expertise to manage challenges*

Ensuring Revenue Visibility



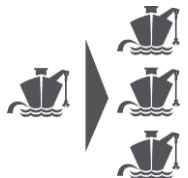
- *Various medium to long term contracts*
- *Tankers are contracted with reputed Indian and international companies*

Foray Into Newer Business



- *Diversify from a shipping company to an 'energy based conglomerate'*
- *Strategically entered into certain business segments*

Integration And Synergy



- *Company operates in diverse business segments*
- *Serve its customers in a holistic manner*

BUSINESS STRATEGIES



Continue to explore expansion with focus on the Dredging Sector



Balance Sheet De-leveraging



Expanding our fleet of Tankers



Exploit full potential of our Oil & Gas Blocks



Dredging

- Dredging is underwater excavation of soil & other debris, and is usually associated with
 - Cleaning and/or deepening of channels in ports
 - Construction of new ports
 - Reclamation of land
 - Beach nourishment
 - Maintaining the shipping channel depths etc.
- Mercator forayed into Dredging business in 2007
- Dredgers deployed across India mainly at Major Ports
- Provide mainly maintenance dredging services

DREDGER FLEET

SR	NAME	TYPE	HOPPER CAPACITY (M3)
1	Veera Prem	TSHD	11,300
2	Vakul Prem	BLD	N/A
3	Bhagvati Prem	TSHD	7,598
4	Darshani Prem	TSHD	7,450
5	Tridevi Prem	TSHD	5,433
6	Omkara Prem	TSHD	4,568
7	Uma Prem	TSHD	2,577
8	Vivek Prem	SGH	870
9	Yukti Prem	CSD	N/A



Various dredgers of Mercator

Oil & Gas

- Exploration & Production
 - 100% Interest in 2 Cambay basin blocks, 2 oil discoveries made
 - Third Party report for certification of resources available
 - 25% interest in 2 Myanmar blocks
- EPC
 - Capability to execute turnkey projects
 - Process of completing the Sagar Samrat project on EPC basis at a yard situated at Abu Dhabi

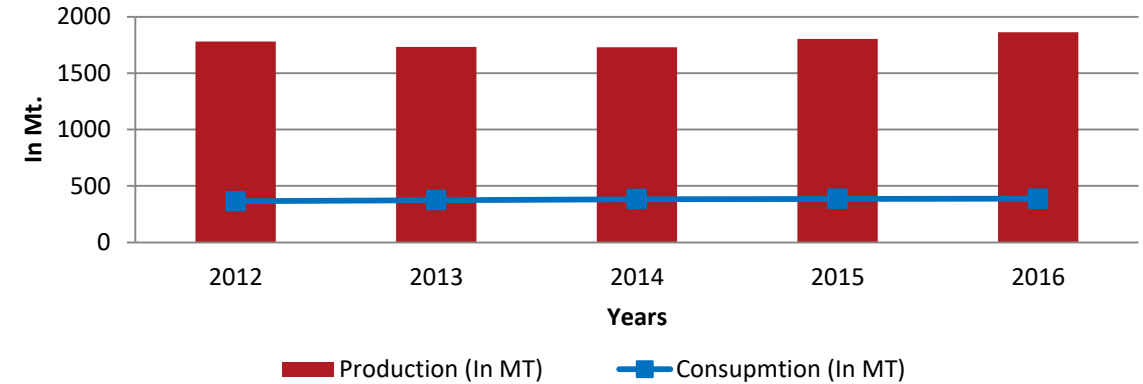


Sagar Samrat MODU being converted to MOPU



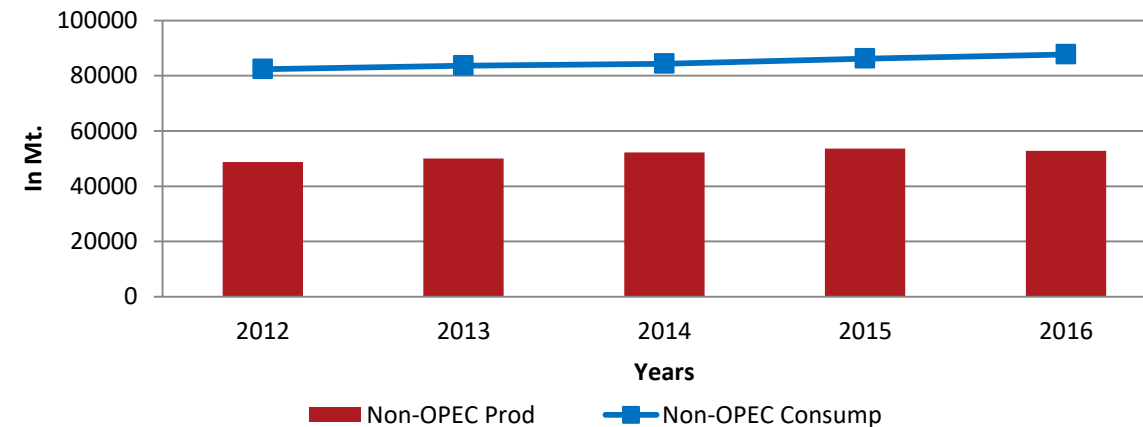
MOGL – CB7 – Oil and Gas Unit

OPEC Countries (In Mt)



Source: CARE Research

Non-OPEC Countries



Source: CARE Research

Coal

- 3 coal mining licenses in Indonesia of which operations ongoing at 1 mine. Also hold 1 mining license in Mozambique
- Mining activities are supplemented by International coal trading
- Additionally offer coal infrastructure services comprising of an all-weather haul road, stockpile facility, crushing unit & jetty loading facility to other coal mines situated in proximity to our coal mine
- Have expertise in providing complete logistics solutions for coal i.e. transportation of coal from the foreign load port until its final destination
- Customers include consumers as well as coal stockiest intermediaries, based in India and other Asian markets

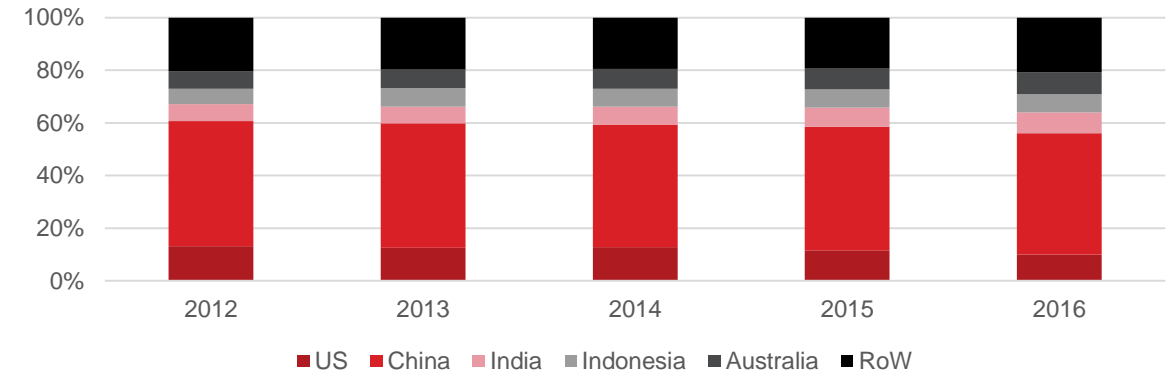


Open pit mining operations in Progress



Coal Being loaded onto Barge via Conveyor at Jetty

Global Coal Production



Source: CARE Research

MAJOR COUNTRIES EXPORTING COAL (MT)

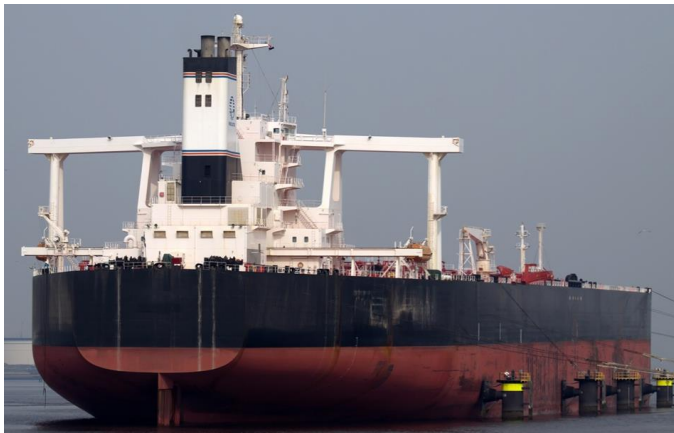
	2014	2015	2016(P)
Australia	27%	30%	29%
Indonesia	30%	28%	28%
Russia	11%	12%	13%
Colombia	6%	6%	6%
South Africa	5%	6%	6%
US	6%	5%	4%
Others	14%	13%	14%

Source: CARE Research

Shipping

- Operates a fleet of 8 vessels which consists of tankers, a gas carrier and bulk carriers
- Offer fleet as a mix of spot contracts and fixed-term charter contracts depending on the specific needs of our clients
- Maintain all our vessels in good working condition in order to satisfy the statutory flag state requirements as well as the international operating standards
- Cater to various national and international clients
- Experienced crew on-board & ashore

Sr	VESSEL	TYPE	DWT
1	Nerissa	VLCC	299,235
2	Prem Pride	Aframax	109,610
3	Hansa Prem	MR Tanker	36,032
4	Prem Mala	MR Tanker	46,977
5	Harsha Prem	MR Tanker	42,235
6	Vedika Prem	MR Tanker	42,253
7	Vrinda	Panamax	69,221
8	Sisouli Prem	VLGC	50,400



Various ships of Mercator

Operational Performance

- **Dredging** - Revenues impacted due to completion of Kandla Port project and subsequent dry-docking of 2 dredgers
 - Dredgers back on track in July
- **Shipping** – Charter rates dip and voyages reduce due to OPEC oil cuts
- **Oil & Gas** –
 - On track for commercial production by first half of CY18
 - Received extension for completion of minimum work program (MWP)
 - Field Development plan submitted for Jyoti 1 and 2
 - Submitted to DGH in Q3 FY18
 - Approval awaited
- **Coal** - Focused on maximizing operational efficiencies maintained in the coal operations

Revenue by Segment*

INR MN	FY17	FY16
Shipping	3,666.56	5,042.60
Dredging	2,708.40	2,832.63
Coal	11,477.57	12,844.09
Oil & Gas	3,301.34	6,348.22

Note(*) : Segments as per the PPD

Financial Performance

- Revenues impacted adversely due to
 - Loss of revenue post completion of Kandla Port Project (Contract not renewed due to lower margins)
 - Revenues impacted due to reduction in charter rates by c.15%
- Exploring strategic initiatives to further de-leverage and improve balance sheet

Income Statement

PARTICULARS (INR MILLION)	FY 17	FY 16	FY 15
Revenue from Operations	22,153.87	27,064.18	30,916.32
Other Income	1,562.30	188.57	152.86
Total Revenue	22,716.17	27,252.75	31,069.18
Operating Expenses	13,836.28	20,729.65	229,880.05
Employee benefit expenses	364.17	642.41	724.85
Finance Cost	2,324.18	2,621.83	2,252.99
Depreciation and amortization expenses	3,186.28	4,224.08	4,745.58
Impairment of Assets	0.08	3,488.28	4,090.08
Other expenses	2,413.44	6,441.82	2,011.23
Total Expenses	22,124.43	38,148.07	36,812.75
Profit / (Loss) before taxes & Exception Item	591.74	(10,895.33)	(5,743.57)
Exception Item	(91.56)	-	1,159.59
Profit / (Loss) before taxes	500.18	(10,895.33)	(6,903.16)
Current Tax	(201.13)	(28.22)	(105.82)
(Short) / Excess Provision for tax for earlier years	0.87	3.35	0.01
Deferred Tax	(11.77)	(77.14)	(59.99)
Profit / Loss for the year before adjustment for Minority Interest	288.15	(10,997.34)	(7,068.96)
Less: Share of profit / (loss) transferred to Minority Interest	(42.34)	2,096.27	2,573.71
Profit / (Loss) for the period	245.81	(8,901.06)	(4,495.25)

Balance Sheet (*Liabilities*)

	PARTICULARS (INR MILLION)	FY 17	FY 16	FY 15
1	SHAREHOLDER'S FUNDS	10,498.54	8,809.92	22,325.98
(a)	Share Capital	269.89	244.89	244.89
(b)	Reserves and surplus	9,649.37	8,269.87	19,544.29
	Minority Interest	579.28	295.16	2,536.30
2	NON-CURRENT LIABILITIES	12,464.25	16,665.51	26,595.41
(a)	Long-terms borrowings	11,995.76	16,091.34	25,066.74
(b)	Other long term liabilities	424.55	534.32	1,475.27
(c)	Long-term provisions	43.94	39.85	53.40
3	CURRENT LIABILITIES	16,418.86	22,705.04	27,660.03
(a)	Short-term borrowings	4,228.18	4,924.76	6,998.13
(b)	Trade payables	1,924.02	8,218.77	11,940.10
(c)	Other current liabilities	10,179.88	9,493.54	8,536.77
(d)	Short-term provisions	86.78	67.97	185.04
	TOTAL EQUITY & LIABILITIES	39,381.65	48,180.47	76,581.42

Balance Sheet (Assets)

	PARTICULARS (INR MILLION)	FY 17	FY 16	FY 15
1	<i>NON-CURRENT ASSETS</i>	27,892.17	36,360.29	59,810.00
(a)	Fixed assets	25,584.57	33,415.40	56,039.70
(i)	Tangible assets	18,641.90	26,534.14	49,832.38
(ii)	Intangible assets	1.95	3.24	4.01
(iii)	Capital work in progress	6,940.72	6878.00	6203.31
	Goodwill on consolidation	-	-	-
(b)	Non-current investments	0.01	7.11	13.76
(c)	Deferred tax asset	(39.37)	(32.10)	41.28
(d)	Long-term loans and advances	2,319.93	2,909.79	3,685.51
(e)	Other non-current assets	27.03	60.10	29.76
2	<i>CURRENT ASSETS</i>	11,489.48	11,820.18	16,771.42
(a)	Current Investments	1,858.62	-	39.89
(b)	Inventories	178.48	192.14	341.37
(c)	Trade receivables	3,902.63	5,787.01	8,150.97
(d)	Cash and bank balances	1,294.08	954.44	2,744.05
(e)	Short-term loans and advances	712.83	2,282.64	2,481.66
(f)	Other current assets	3,542.84	2,603.95	2,481.66
	<i>TOTAL ASSETS</i>	39,381.65	48,180.47	76,581.42

Corporate Social Responsibility

Committed to providing inclusive growth and creating greater value for all stakeholders
CSR initiatives undertaken in collaboration with Prem Punita Foundation, Mumbai



Some of the key CSR Initiatives are:

1

Project Prem Sukhda

- Operate dispensaries
- Awareness Sessions
- Personal Hygiene Camps for Children

2

Project Prem Sagar

- Computer Education
- Sewing and Design Course

3

Project Prem Pravah

- Sponsoring Therapy to Children with Hearing Impairment
- Support NGOs working on eye care, disabled

4

Project Prem Pravan

- Sponsoring therapy to children with hearing impediment
- Supporting NGOs working on eye care, disabled



Supporting the local Community

THANK YOU