

Ref: ML/SGX/2018-19/14

November 13, 2018

To,
The Singapore Exchange Securities Trading limited
2, Shenton Way,
#19-00, SGX Centre 1,
Singapore – 068804

Re: USD 16,000,000 4.75% Convertible Bonds Due 2019 ("The Bonds")

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





EARNINGS PRESENTATION

Q2 FY19



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H1FY19: Key Highlights

- Oil production commenced at Jyoti – I, with an initial run-rate of ~ 100-300 barrels/day. Mobilization of second well i.e. Jyoti – II is in progress
- Standalone Shipping & Coal Businesses – PAT Positive Q2 FY19
- Coal segment revenue up by 25% INR 109 Cr
- Ramp up of coal infrastructure capacity is on track
- Dredging revenue for Q2 FY19 up by 10% compared to Q2 FY18
- Implementing strategic plan to sell-off low profitability assets to deleverage balance sheet and improve leverage and return ratios being pursued



Jyoti I – Oil Well



Jyoti I – Oil Storage

Q2FY19: Good Performance Amid Seasonal Weakness

Steady Financial Performance...

- Operating income up 8% compared to Q2 FY 18
- Strong EBITDA margins of 32% with EBITDA up 26% YoY driven by sharp improvement in shipping & coal
- Positive EBIT of INR 23 Cr for Q2 FY19 and INR 45 Cr for H1 FY 19
- Coal – PAT Positive during Q2FY19 & H1FY19
- ML Shipping – PAT Positive during Q2FY19

...Driven by Good Growth in Operations

- Coal: EBITDA significant up by 112% YoY driven by 3.2 % increase in volume and one time expense of Rs. 21.1 Cr towards Provision towards disruption in business during Q2 FY18
- Shipping: All vessels 100% deployed except Vedika Prem which under went a technical off-hire w.e.f. 09 August 2018 and consequently went for lay up
- Dredging: Improved performance over last year, however order book built up remains slow with pending orders of Rs. 155 Cr

Particulars (Consolidated)	Q2FY19	Q2FY18	Q1FY19	FY18
Operating Income	222	206	216	745
Coal Trading Income	-	71	1	229
Other Income	2	4	3	36
Total Income	223	281	220	1011
EBIDTA	72	48	70	142 *
EBIDTA Margin (%)	32%	17%	32%	14%
EBIT	24	-8	22	-44
EBIT Margin (%)	11%	-3%	10%	-4%
PBT (before Exceptional Item)	-25	-50	-25	-217
PBT (after Exceptional Item)	-25	-50	-36	-217
PAT	-33	-58	-47	-278

*Adjusted EBITDA of Rs. 272 Crores in FY18. Adjusted EBITDA excludes loss on sale of assets, one-time write offs etc.

Note:- The exceptional item of INR 12 Crores during Q1 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

Consolidated H1FY19 Financials

Particulars (Consolidated)	H1FY19	H1FY18	% Change
Operating Income	438	454	-3%
Coal Trading Income	1	124	-99%
Other Income	4	7	-36%
Total Income	444	585	-139%
EBIDTA	142	135	5%
EBIDTA Margin (%)	32%	23%	
EBIT	46	24	93%
EBIT Margin (%)	10%	4%	
PBT (before Exceptional Item)	-50	-70	-29%
PBT (after Exceptional Item)	-62	-70	-12%
PAT	-79	-87	-9%

Note:- The exceptional item of INR 12 Crores during H1 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

Guidance: FY19



	H1 FY19 Guidance	H1 FY19 Actual Met	H2 FY19 Guidance	H2 FY19 Guidance Revised	FY19 Guidance	FY19 Guidance Revised	FY20 Guidance Maintained
Revenue	420-450 Cr	439 Cr	780-850 Cr	500-570 Cr	1,200-1,300 Cr	930-1000 Cr	1,450-1,550 Cr
EBITDA	135-145 Cr	142 Cr	290-325 Cr	160-195 Cr	425-470 Cr	305-340 Cr	600-630 Cr
EBITDA Margin	31%-32%	32%	36%-38%	32%-34%	34%-36%	32%-34%	35%-40%

Revision in Guidance for FY 19

- Assuming slower ramp up in oil production due to initial teething problems
- Drop in coal prices for 4200 GAR Coal to \$ 34/MT as compared to H1 FY19 average of \$ 37.5/MT
- Slow growth in dredging - delay in award / cancellation of two L1 Contracts

Addressing Key Market Concerns

Revised Credit Rating

- Long-term loan rating revised to 'D' from 'BBB' on back of ongoing delays in debt servicing due to temporary cash flow mismatch
- Cash flow mismatch arose from non-disbursal of sanctioned limits from banks

Termination of ONGC Contract

- ONGC initially extended contract till 30th Nov, 2018 and project is over 95% complete
- During final completion, ONGC wrongfully invoked bank guarantees and terminated contract. The matter is currently subjudice.

Management Action

- Initiated discussions to raise funding against Oil assets to cure short-term liquidity mismatch
- Initiated action for sale of low profitability assets to improve interest coverage ratio, reduce leverage and strengthen cash flows
- Consolidated debt already reduced by 54% in 3 years and the Company committed toward further deleveraging

Management Action

- Appropriate legal action being taken against wrongful termination by ONGC
- Legal advice indicates that company's subsidiaries have good prospects of success in proving claims against ONGC
- Hon'ble Bombay HC has since restrained issuing bank for bank guarantees, from making payments to ONGC

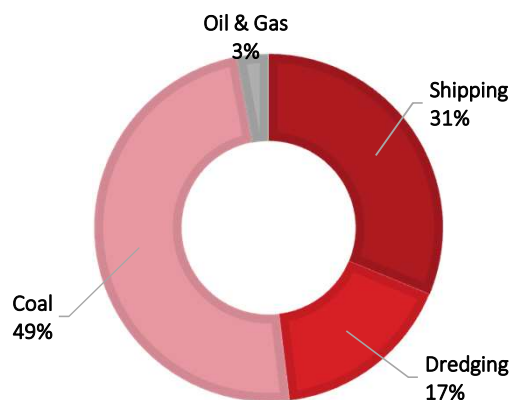


Q2FY19 Performance

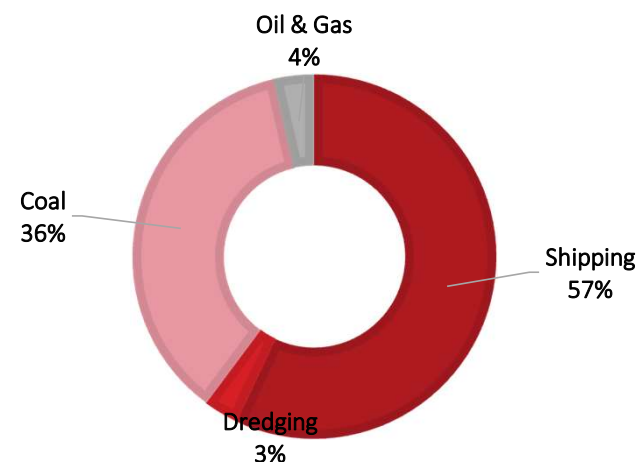


Q2 FY19 & H1 FY 19 Segmental Performance

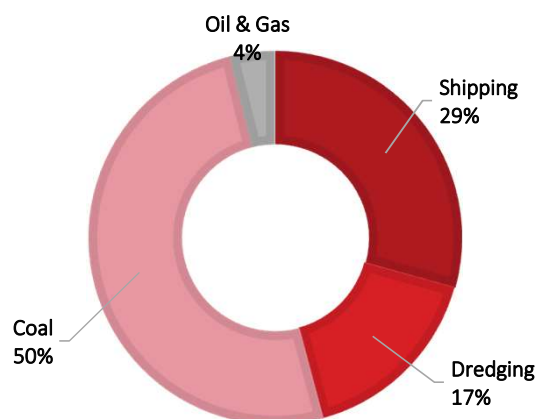
Q2 FY19 Total Income: INR 223 Cr



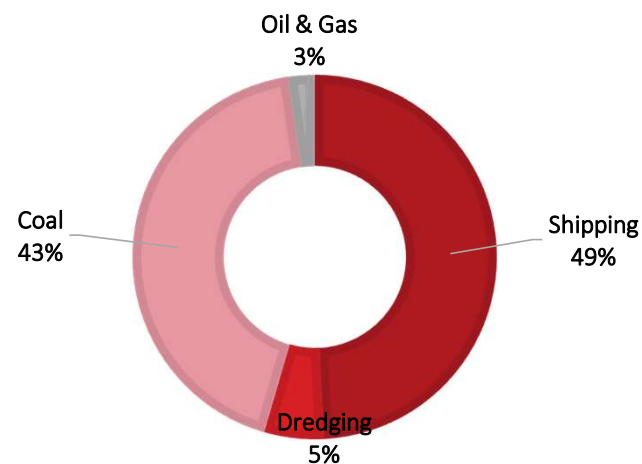
Q2 FY19 EBITDA: INR 72 Cr



H1 FY19 Total Income: INR 444 Cr



H1 FY19 EBITDA: INR 142 Cr



Segment Wise Business Performance - Shipping

Financial Highlights

- Drop in revenues by 15% vis-à-vis Q2FY18 due to sale of two dry bulk carriers and an aged MR tanker in fiscal 2018
- Achieved strong EBITDA margin of 62% despite depressed rates compared to Q2 of previous fiscal year

INR Crore	Q2'19	Q2'18	Q-O-Q %	Q1'19	FY18
Revenues	65.6	78.9	-17%	56.0	281.3
Other Income	8.7	6.1	44%	7.3	28.4
Total Income	74.3	84.9	-12%	63.3	309.7
Expenses	28.2	48.0	-41%	31.1	241.5
EBIDTA	46.2	36.9	25%	32.2	68.2
EBIDTA %	62%	43%		51%	22%

** EBITDA in FY18 includes loss on sale of assets of INR 65 Crores*

Operational Highlights

- All vessels 100% deployed except Vedika Prem which under went a technical off-hire w.e.f. 09 August 2018 and consequently went for lay up (i.e. mini dry-dock)
- VLGC & VLCC on spot and rest on time charter
- VLGC Completed 2 Voyages during Q2FY19 and improvement in VLGC rates by \$ 3,661/Day on QoQ basis
- VLCC running under a commercial pool managed by a leading tanker operator; Average earning in Q2 FY19 is \$ 11,630/Day. VLCC rates are firming up.

Segment Wise Business Performance - Shipping



Q2 FY19 Average Rates

Average (TCY \$ per day)	Q2 FY19	Q1 FY19	FY18
Product Tankers	\$ 11,521	\$ 11,521	\$ 12,135
FSO	\$ 26,000	\$ 26,000	\$ 26,000
VLCC	\$ 11,630	\$ 11,075	\$ 17,564
VLGC	\$ 15,546	\$ 11,885	\$ 18,959

Q2 FY19 Revenue Days

	Q2 FY19	Q1 FY19
Revenue days	498.40*	533.25

**Reduction in revenue days since Vedika Prem under went technical off hire w.e.f. 09 August 2018*

Revenue Coverage

Vessel Name	Charter Rates \$/Day	Contracted Till*
Prem Pride	26,000	Dec-20
Prem Mala	12,060	Jan-21
Vedika Prem	Off hire due to lay up	--
Hansa Prem	11,900	Mar-19
Sisouli Prem (VLGC)	Spot Rates	Spot Market
VLCC	Spot Rates	Spot Market

**Including extension option with the charterers*

Segment Wise Business Performance - Dredging

Financial Highlights

- Revenues up by 10% vis-à-vis Q2FY18
- Due to seasonality of business, H1 is generally slower than later half of FY.

Operational Highlights

- The Company has bagged new contracts worth INR 69 Crores during H1FY19. 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
- Revenues of H1 FY19 adversely impacted due to reduction in scope of work with Mumbai Port Trust (Total qty. comprised in the scope of work reduced from c. 800,000 m3 to c. 50,000 m3)
- Though Company was L1 for two bids worth Rs. 152 Cr, Contracts were not awarded due to non-controllable reasons

INR Crore	Q2'19	Q2'18	Q-O-Q %	Q1'19	FY18
Revenues	34.7	31.6	10%	33.7	166.5
Other Income	5.8	3.0	95%	4.8	14.0
Total Income	40.5	34.6	17%	38.5	180.5
Expenses	34.9	29.5	18%	29.6	134.7
EBIDTA	5.6	5.1	9%	8.9	45.8
EBIDTA %	14%	15%		23%	25%

- Order book of INR 155 Crores – Target completion of INR 95 Crores before March 2019 and balance during FY 2020

Segment Wise Business Performance – Coal

Financial Highlights

- Sharp increase in coal mining & logistics revenues as compared to Q2 FY18
- Achieved Strong EBITDA margin of 27% - Better than Q2FY18 and FY18

Operational Highlights

- H1FY19 production at 964,437 MT. On track to beat FY 19 budgeted target of 2 Mn MT
- Dispatched 811,307 MT of mined coal in H1FY19 up 3.2% YoY
- Sales of 3,600 GAR & 4,200 GAR in the ratio of 51:49 in H1FY19
- Handled over 1 million MT volume in 3rd party dispatch & logistics in H1 FY19

INR Crore	Q2'19	Q2'18	Q-O-Q %	Q1'19	FY18
Mining & Logistics Revenue	108.8	86.8	25%	113.8	265.0
Trading Revenue	-	71.0	-100%	1.4	228.9
Other Income	0.7	0.6	19%	0.4	3.2*
Total Income	109.5	158.4	-31%	115.7	497.1
Expenses	79.4	144.2 **	-45%	78.3	428.8
EBIDTA	30.0	14.2	112%	37.4	68.3
EBIDTA %	27%	9%		32%	14%

* Excludes valuation gain of Rs. 18 Crores

** includes Provision towards disruption in business of Rs. 21.1 Cr

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 subjudice
- 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

INR Crore	Q2'19	Q2'18	Q-O-Q %	Q1'19	FY18
Revenues	12.7	8.5	51%	12.6	32.5
Other Income	(5.1)	(0.7)	0%	(2.3)	0.2
Total Income	7.6	7.7	-1%	10.3	32.6
Expenses	5.0	7.2	-30%	9.8	47.5
EBIDTA	2.6	0.5	394%	0.5	(14.9)
EBIDTA %	34%	7%		5%	-46%

Consolidated Adjusted EBIDTA

Adjusted EBIDTA				
	Q2FY19	Q2FY18	Q1FY19	FY18
EBIDTA	72.1	48.1	69.8	141.9
Add: Adjustments				
Provision for Doubtful Debts	-	-	-	8.9
Loss on sale of dry bulk carrier	-	-	-	66.6
Profit on sale of MR tanker	-	-	-	(1.6)
Provision towards disruption in coal business	-	21.1	-	34.6
Provision towards slow moving old trading debtors	-	-	-	6.9
Impairment of Investment	-	-	-	3.7
Expenditure in respect of change orders in EPC project without corresponding increase in revenue	-	-	-	10.6
Adjusted EBIDTA	72.1	69.2	69.8	271.6

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 Half Year Ended September 30, 2018												
(Rs. in crore)												
Particulars	Consolidated						Standalone					
	Quarter ended			Half Year Ended		Year ended	Quarter ended			Half Year Ended		Year ended
	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income												
(a) Revenue from operations	221.80	217.49	276.74	439.29	578.11	974.21	92.49	82.46	98.76	174.95	195.73	405.67
(b) Other income	1.64	2.84	4.09	4.48	7.05	36.47	14.57	12.12	2.12	26.69	17.77	42.41
Total Income	223.44	220.33	280.83	443.77	585.16	1,010.68	107.06	94.58	100.88	201.64	213.50	448.08
2 Expenses												
(a) Cost of services rendered	128.72	132.29	197.15	261.01	405.79	668.68	50.66	48.65	63.77	99.31	123.68	244.28
(b) Employee benefits expense	10.98	8.03	6.68	19.01	13.25	30.10	4.13	3.98	4.78	8.11	8.67	17.69
(c) Finance costs	49.43	46.66	41.35	96.09	80.85	173.16	31.96	30.72	20.55	62.68	53.61	104.23
(d) Depreciation and amortisation	47.74	47.91	56.35	95.65	110.55	186.04	34.16	35.10	44.07	69.26	86.07	137.76
(e) Other expenses	11.67	10.19	28.89	21.86	44.49	170.01	2.86	3.18	2.79	6.03	9.64	86.94
Total expenses	248.54	245.08	330.42	493.62	654.93	1,227.99	123.77	121.63	135.96	245.39	281.67	590.90
3 Profit/(loss) from operations before exceptional items and tax	(25.10)	(24.75)	(49.59)	(49.85)	(69.78)	(217.31)	(16.71)	(27.05)	(35.08)	(43.75)	(68.17)	(142.82)
4 Exceptional items	-	(11.73)	-	(11.73)	-	-	-	-	-	-	-	-
5 Profit/(loss) before tax (3 - 4)	(25.10)	(36.48)	(49.59)	(61.58)	(69.78)	(217.31)	(16.71)	(27.05)	(35.08)	(43.75)	(68.17)	(142.82)

Consolidated Financial Performance



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Unaudited Financial Results For Quarter and Half Year Ended September 30, 2018												
(Rs. in crore)												
Particulars	Consolidated						Standalone					
	Quarter ended			Half Year Ended			Quarter ended			Half Year Ended		
	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
6 Tax expense												
Current tax	(7.43)	(8.32)	(8.75)	(15.75)	(17.34)	(58.12)	(2.28)	(0.40)	(0.26)	(2.68)	(0.50)	(42.17)
Deferred tax (net)	0.02	(1.75)	(0.06)	(1.73)	-	(2.12)	-	-	-	-	-	-
7 Net profit/(loss) after tax (5 - 6)	(32.51)	(46.55)	(58.41)	(79.06)	(87.11)	(277.55)	(18.99)	(27.45)	(35.34)	(46.43)	(68.67)	(184.99)
8 Other comprehensive income/(expenses) net of tax												
Items that will not be reclassified to statement of profit and loss												
Remeasurement gains/(loss) of defined benefit plans	(0.16)	0.20	(0.12)	0.04	(0.29)	1.49	(0.16)	0.18	0.02	0.02	(0.15)	0.92
Total Other comprehensive income/(loss)	(0.16)	0.20	(0.12)	0.04	(0.29)	1.49	(0.16)	0.18	0.02	0.02	(0.15)	0.92
9 Total comprehensive income/(loss) for the period/year (comprising profits and other comprehensive income for the period/year) (7+8)	(32.67)	(46.35)	(58.53)	(79.02)	(87.41)	(276.06)	(19.15)	(27.27)	(35.32)	(46.41)	(68.82)	(184.08)
10 Profit/(Loss) attributable to for the period (net of tax)												
Owners of the company	(43.36)	(56.99)	(59.53)	(100.35)	(97.40)	(295.52)	(18.99)	(27.45)	(35.34)	(46.43)	(68.67)	(184.99)
Non controlling interest	10.85	10.44	1.12	21.29	10.29	17.97	-	-	-	-	-	-
11 Other comprehensive income/(loss) for the year (net)												
Owners of the company	(0.16)	0.20	(0.12)	0.04	(0.29)	1.49	(0.16)	0.18	0.02	0.02	(0.15)	0.92
Non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-

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 Half Year Ended September 30, 2018												
(Rs. in crore)												
Particulars	Consolidated						Standalone					
	Quarter ended			Half Year Ended		Year	Quarter ended			Half Year Ended		Year
	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
12 Total Comprehensive Income /(Loss) for the period / year attributable to												
Owners of the company	(43.52)	(56.79)	(59.64)	(100.31)	(97.70)	(294.03)	(19.15)	(27.27)	(35.32)	(46.41)	(68.82)	(184.08)
Non controlling interest	10.85	10.44	1.12	21.29	10.29	17.97	-	-	-	-	-	-
13 Paid up equity share capital (FV of Re.1 per share)	30.25	30.25	26.99	30.25	26.99	30.25	30.25	30.25	26.99	30.25	26.99	30.25
14 Paid up debt capital	-	-	-	130.00	100.00	100.00	-	-	-	130.00	100.00	100.00
15 Other Equity	-	-	-	807.34	1,004.16	922.43	-	-	-	681.09	720.32	741.16
16 Basic and Diluted earnings per share	(1.44)	(1.88)	(2.13)	(3.32)	(3.62)	(10.42)	(0.63)	(0.90)	(1.31)	(1.53)	(2.55)	(6.52)
17 Debenture Redemption Reserve				25.00	25.00	25.00				25.00	25.00	25.00
18 Capital Redemption Reserve				40.00	40.00	40.00				40.00	40.00	40.00
19 Net Worth				837.59	1,072.74	952.68				711.34	747.31	771.41
20 Debt equity ratio				1.95	1.80	1.81				1.44	1.41	1.24
21 Debt service coverage ratio (DSCR)				0.99	0.99	1.01				1.21	1.00	1.23
22 Interest service coverage ratio (ISCR)				1.29	1.50	0.82				1.32	1.44	0.95
ISCR = Cash Profit Before Finance Cost/ Finance cost; Debt Equity Ratio = Total Borrowings/ Total Equity; DSCR = Cash Profit before finance cost/(Finance Cost + Principal Repayments (excluding prepayments) during the year)												

Consolidated Financial Performance

Mercator Limited			
CIN NO : L63090MH1983PLCO31418			
Regd. Office: 3rd Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333			
Statement of Assets and Liabilities As at September 30, 2018			
		(Rs. in crore)	
Particulars	Consolidated		
	As at	As at	
	30-Sep-2018	31-Mar-2018	
	(Unaudited)	(Audited)	
A ASSETS:			
1 Non-current assets:			
a) Property, plant and equipment	1,715.54	1,640.44	
b) Capital work in progress	305.40	292.31	
b) Investment property	1.03	1.10	
d) Other Intangible assets	0.08	0.54	
e) Deferred Tax Assets	0.93		
d) Financial assets			
i) Investments	0.00	-	
ii) Loans	20.46	10.81	
iii) Other financial assets	11.89	15.13	
e) Other non-current assets	110.97	114.05	
f) Income tax assets (net)	70.04	82.50	
	2,236.34	2,156.88	
2 Current assets:			
a) Inventories	41.11	16.61	
b) Financial assets			
i) Investments	230.31	205.73	
ii) Trade receivables	333.12	321.74	
iii) Cash and cash equivalent	18.79	22.46	
iv) Bank balances other than cash and cash equivalents	21.59	105.98	
v) Loans	14.15	3.18	
vi) Other financial assets	90.58	74.61	
c) Other current assets	346.91	282.36	
Non current asset held for sale	-	26.28	
	1,096.56	1,058.95	
TOTAL ASSETS	3,332.90	3,215.83	

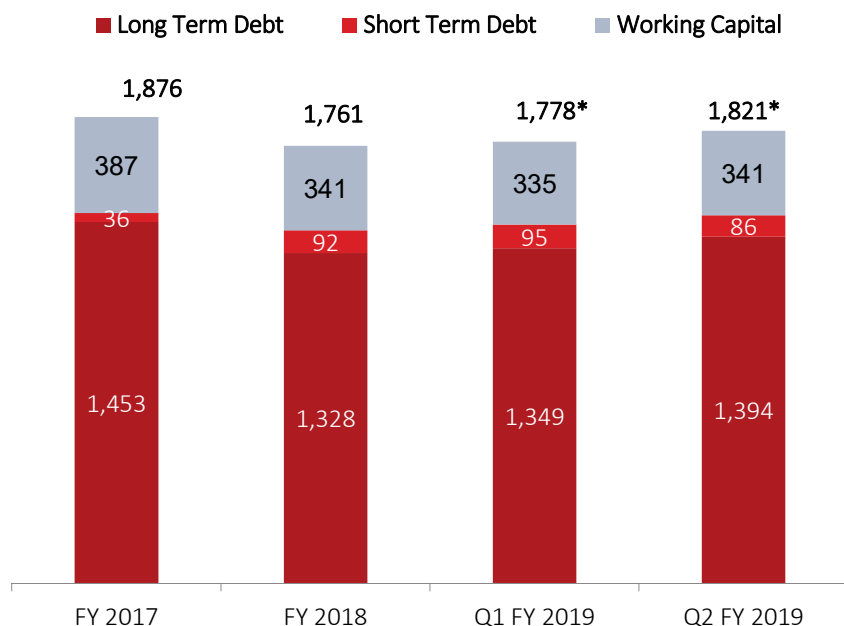
Mercator Limited			
CIN NO : L63090MH1983PLCO31418			
Regd. Office: 3rd Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333			
Statement of Assets and Liabilities As at September 30, 2018			
		(Rs. in crore)	
Particulars	Consolidated		
	As at	As at	
	30-Sep-2018	31-Mar-2018	
	(Unaudited)	(Audited)	
B EQUITY AND LIABILITIES:			
1 Equity:			
a) Equity share capital	30.25	30.25	
b) Other equity	807.34	922.43	
Non Controlling Interest	85.86	60.97	
	923.45	1,013.65	
2 Non-current liabilities:			
a) Financial liabilities			
i) Borrowings	940.92	1,012.60	
ii) Other financial liabilities	45.95	42.00	
b) Provisions	3.88	3.55	
c) Deferred Tax Liability (Net)	1.67	0.72	
	992.42	1,058.87	
3 Current liabilities:			
a) Financial liabilities			
i) Borrowings	407.94	422.61	
ii) Trade payables	318.80	265.29	
iii) Other financial liabilities	553.59	324.42	
b) Other current liabilities	136.04	130.43	
d) Provision	0.66	0.56	
	1,417.03	1,143.31	
TOTAL LIABILITIES	2,409.45	2,202.18	
TOTAL EQUITY AND LIABILITIES	3,332.90	3,215.83	

De-Leveraging Status and Debt Maturity Profile – Q2 FY2019



All figures in INR crore

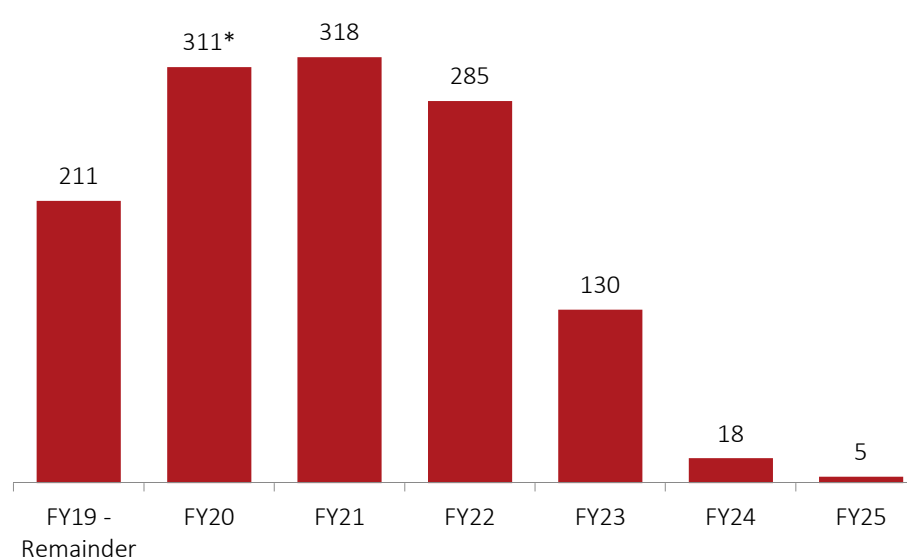
De-Leveraging Status



Dollar Debt reduced by USD 3.94 Mn (Rs. 26.40 Cr) & INR Debt Rs. 3.47 Cr in Q2FY19.

*Negative impact of Rs.76.44 Cr on account of exchange fluctuation in Q2FY19

Long Term Debt Maturity**



*FY20 excludes FCCB of USD 16 Mio

** Repayment reinstated as per closing exchange rate of Q2 FY19 – Rs. 72.54/\$



MERCATOR

Q2FY19 Segmental Outlook



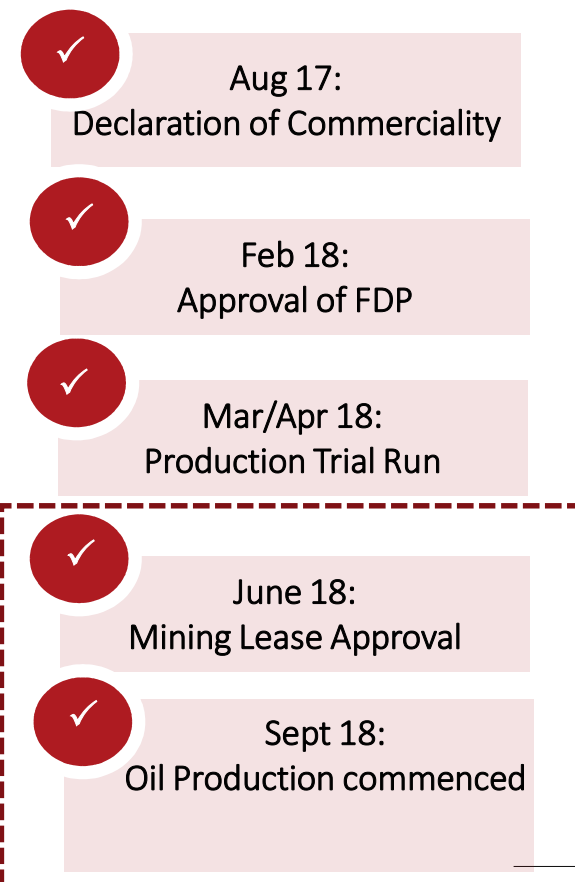
Onshore Oil & Gas Blocks

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 - 300 barrels/day
- Slow Ramp Up in Oil & Gas; Capex funding being tied up for ramp up to 5,500 – 6,000 barrels/day
- Environmental clearance for the development wells, yet to be drilled is in process
- Site mobilisation at 2nd well ongoing; production to commence in due course

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

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%+
- Demerger of the Dredging segment in process

- 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 remaining quarters of FY19 out of current order book of INR 155 Crores INR 95 Crores

Expected Order Inflow

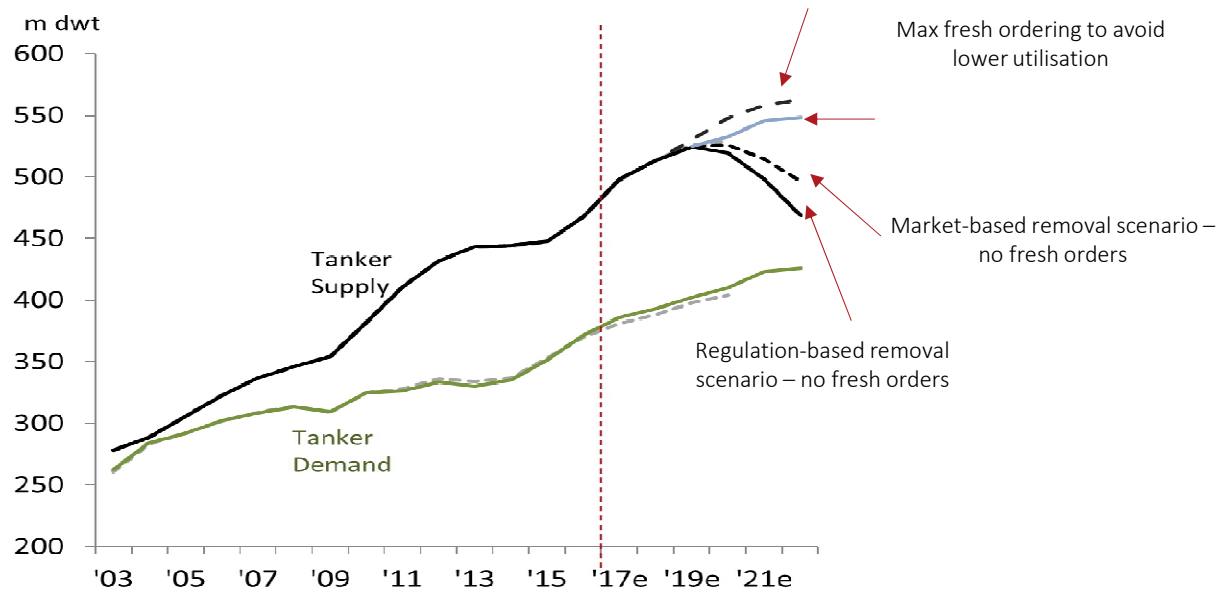
INR 100-170
Crores

Significant business traction; Seasonal Improvements expected in H2FY19

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 are expected to rebound and then gradually appreciate



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

5 Tankers including 1 VLCC

Gas Carrier

1 VLGC

2 Oil & Gas

- Exploration & Production and EPC



E&P

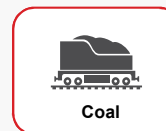
On-shore oil block in India with over 23 MN Barrels of proven reserves and significant upside

EPC

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

4 Coal

- Mining, Trading, & 3rd Party logistics solutions



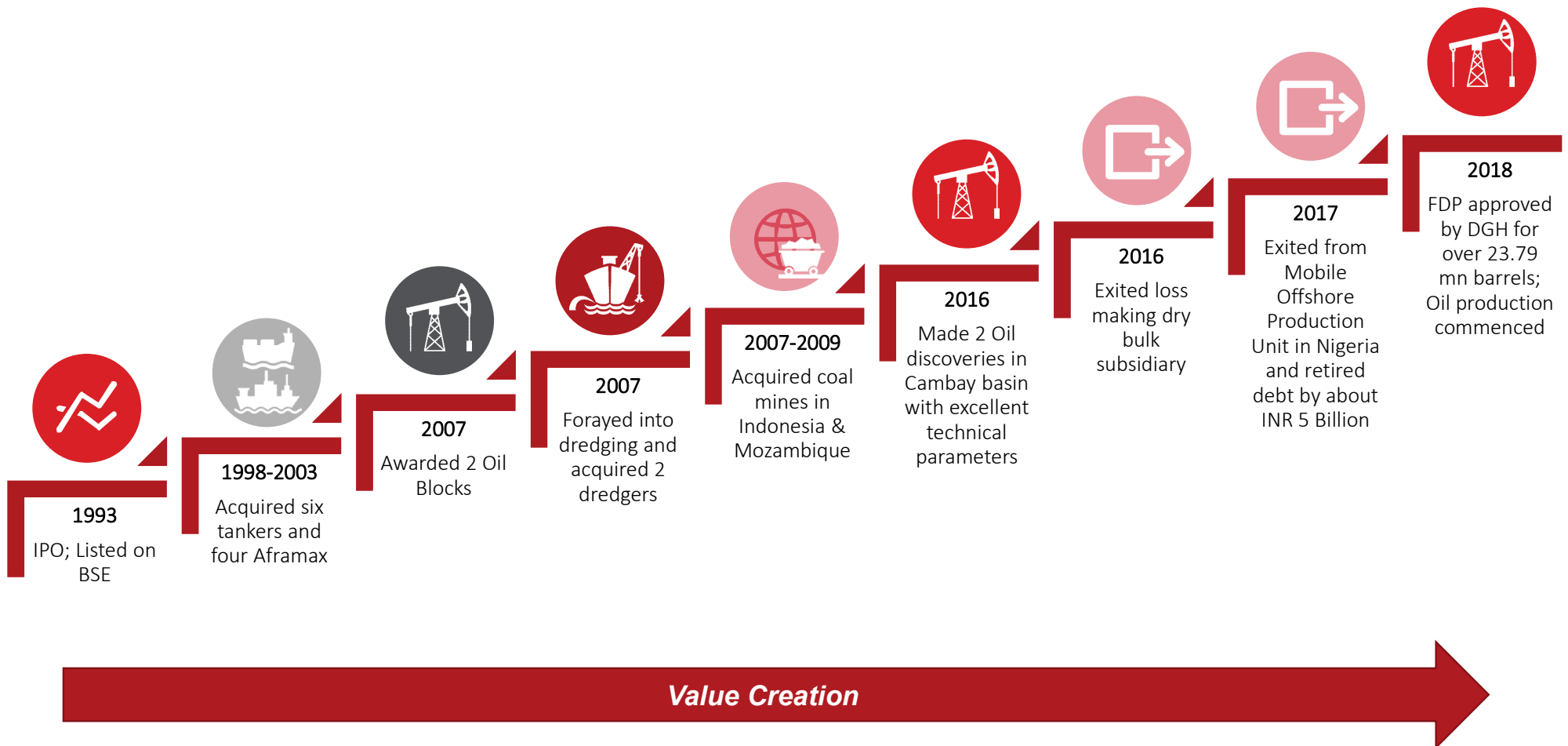
Mining

Indonesia – 1 Operational Mine
Mozambique – 1 Mining license

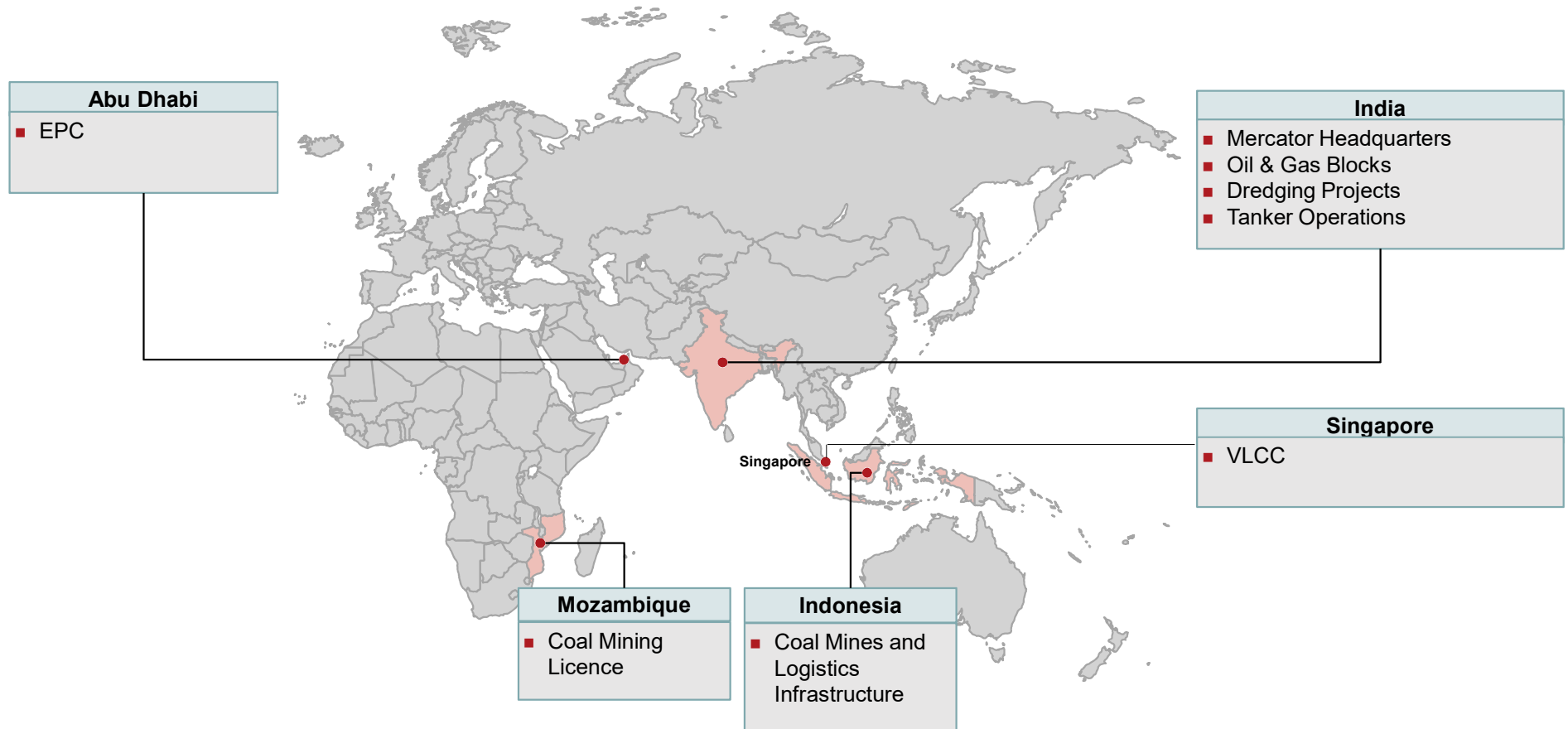
Infrastructure

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.

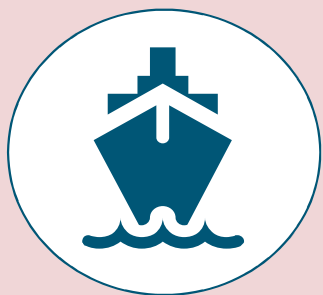


Mr. Gurpreet Malhi
Chief Operating Officer

Mr. Gurpreet 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 is having more than 24 years of experience in port, logistics & maritime sector with strong focus on management strategies.

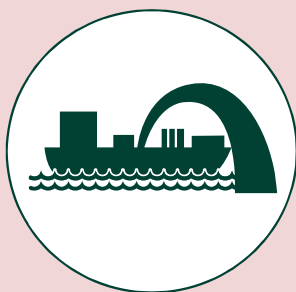
Our Strong Asset Base

Shipping



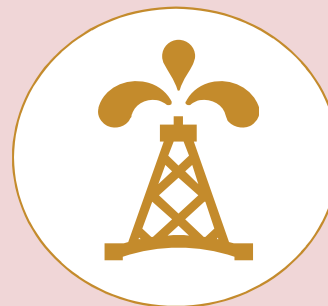
Fleet	DWT	No.	Avg Age
Product Tanker	125,329	3	20
Floating Storage Offloading	109,415	1	19
VLCC	299,235	1	12
Total Wet Bulk	533,979	5	17
VLGC	50,400	1	26
Total Gas Segment	50,400	1	26
Grand Total	584,379	6	19

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

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

Mining license in Mozambique

Clientele

Some of Mercator's clientele



An ISO 9001:2015 PORT





THANK YOU