

August 12, 2017

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

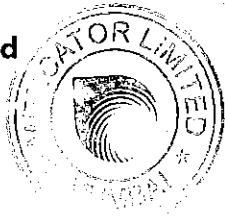
Dear Sir,

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



Encl: As Above

EARNINGS PRESENTATION Q1FY18





Cautionary Statement and Disclaimer

The views expressed here may contain information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness, reasonableness or reliability of this information. Any forward looking information in this presentation including, without limitation, any tables, charts and/or graphs, has been prepared on the basis of a number of assumptions which may prove to be incorrect. This presentation should not be relied upon as a recommendation or forecast by Mercator Limited and any of their subsidiaries cannot be relied upon as a guide to future performance. This presentation contains 'forward-looking statements' – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as 'expects,' 'anticipates,' 'intends,' 'plans,' 'believes,' 'seeks,' or 'will.' Forward-looking statements by their nature address matters that are, to different degrees, uncertain. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements. We caution you that reliance on any forward-looking statement involves risk and uncertainties, and that, although we believe that the assumption on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statement based on those assumptions could be materially incorrect. This presentation is not intended, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities in Mercator Limited or any other invitation or inducement to engage in investment activities, nor shall this presentation (or any part of it) nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Update on FY18 Priorities

De-Leveraging

- Continued focus on de-leveraging and strengthening balance sheet
- Net Debt reduced to INR 17,000 million
- Conservatively expect to exit the year with a Net Debt of INR c.14,000 mn

Dredging

- Maintain a strong bid pipeline
- Bidding for higher margin specialised jobs
- Inland waterways – a large upcoming opportunity

Shipping

- Assets valuation looks attractive, freight rates at bottom of cycle
- Balance water treatment led capex to curtail marginal shipping capacity
- Considering increasing fleet size

Oil and Gas

- Commercial production expected by first half of calendar year 2018
- Further well drilling already commenced, likely completion by Dec 2017
 - Further reserves enhancement expected

Coal

- Focussed on maximising operational efficiencies
- Looking at various options to monetise assets to further de-leverage and strengthen balance sheet

Q1FY18 Performance

Operational Performance

- Dredging - Revenues impacted due to completion of Kandla Port project and subsequent dry-docking of dredgers
- Shipping – Charter rates dip and voyages reduce due to OPEC oil cuts.
- Oil & Gas – Extensive drilling underway; on track for commercial production by Q4FY18
- Coal - Margins improve due to better realization. Production marginally lower due to monsoon

Financial Performance

- Revenues impacted adversely due to
 - Loss of revenue post completion of Kandla Port Project (Contract not renewed due to lower margins)
 - Higher Coal realisation
- Exploring strategic initiatives to further de-leverage and improve balance sheet

Segment Wise EBITDA Contribution

<i>INR MN except as stated</i>	Q1FY18	Q1FY17	Q4FY17
Shipping	434	350	277
Dredging	(101)	266	110
Coal	387	213	386
Oil & Gas	15	842	(865)
Total EBITDA	735	1,672	(402)

** Q4 FY17 EBITDA includes exceptional items*

Consolidated Financial Performance

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

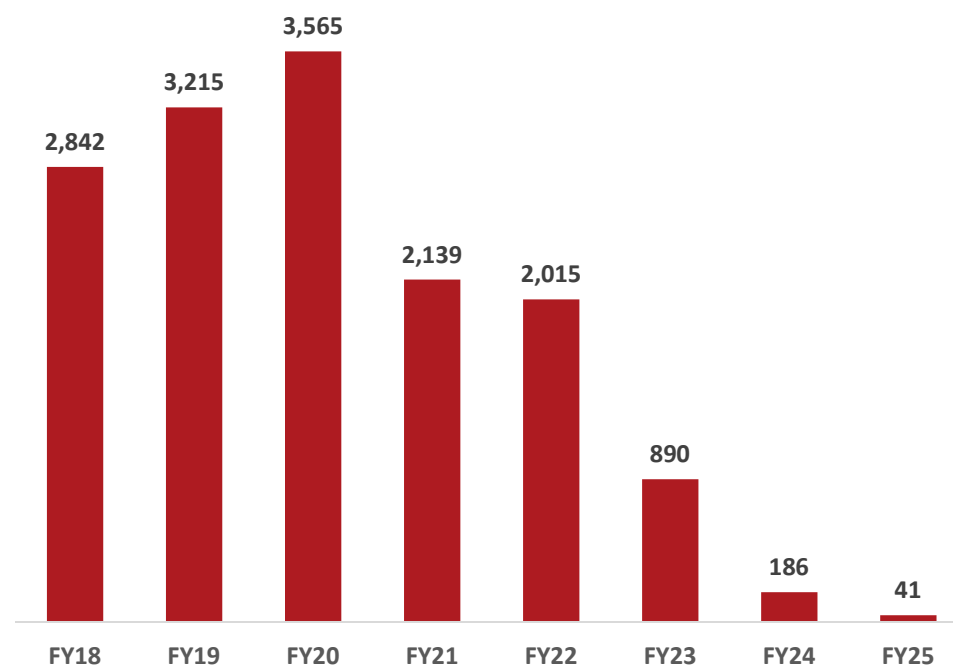
INR MN	Q1FY18	Q1FY17	Q4FY17	FY17
Revenue	3,043	5,861	4,610	22,716
Expenses	2,308	4,189	3,629	16,614
EBITDA	735	1,672	981	6,102
Interest	395	572	598	2,416
Depreciation	542	874	705	3,186
PBT	(202)	225	(322)	500
Tax	(85)	(4)	(187)	(212)
PAT	(287)	221	(509)	288
OCI Adjustment	(2)	0	(4)	(4)
Comprehensive Income	(289)	221	(513)	284
Minority Interest	(114)	(55)	177	(42)
Attributable PAT	(403)	166	(336)	241
EPS (Rs/Share)	(1.61)	0.67	(1.24)	0.97

Deleveraging Status

- Long Term debt significantly reduced compared to Q1FY17
- De-Leveraging remains key management priority
- Further Debt Reduction to be achieved through:
 - Working Capital Release from Sagar Samrat Rs1160mn
 - Repayment of Rs2842mn from internal accruals
 - Sale of Non – Core Assets

<i>INR MN except as stated</i>	Q1FY18	Q1FY17	FY17
Long Term Debt	14,152	21,592	14,161
Working Capital	4,283	4,851	4,228
Cash	957	1,313	1,308
Net Debt	17,478	25,131	17,082

Debt Maturity Profile (INR MN)





Initiation of a Study to Consider De-Merger of Business

- The Board of Directors of the company, in a meeting today, considered the possibility of de-merger of its existing businesses with a view to streamline management focus and create superior shareholder returns by un-locking value.
- In relation to the above, the Board has constituted a committee comprising some of its Directors' and officers' to consider, examine and evaluate feasibility and options of a Business De-merger. The Board has also advised to appoint a leading consultant to study and evaluate the possibility of a business restructuring.
- No decision has yet been taken on a potential de-merger and the Board will decide the same based on the recommendation of the advisors and the constituted committee members.

Segment Wise Business Performance - Dredging

Operational Highlights

- Dredging - Completion of Kandla Port project in April 2017
 - Replaced with more lucrative and high margin specialized job in July 2017
- Dry-docking of 2 dredgers
 - Dredgers back on track in July
- Strategic decision to explore high margin opportunities instead of renewing contract at depressed margins
- Orders in hand c.INR 3,000 million; FY18 remaining orders c.1,500 million
- Expect to maintained strong bidding success rate of 50%

Financial Performance

- Profitability impacted to due Dry Docking of Dredgers and transition post completion of Kandla Project

Outlook

- Strong Bid Pipeline of c.INR. 5,000 Mn
- The order books is expected to rise considering the GOI initiative under the Sagar mala project involving projected annual dredging demand of INR. 201 Billion
- Inland Waterways Authority of India is developing NW-1 under the Jal Marg Vikas Project (JMVP) an expenditure of Rs 2,400 Crores has been envisaged to be made over the period of next seven years.

<i>INR MN except as stated</i>	Q1FY18	Q1FY17	Q4FY17
Revenue	271	601	633
Expenses	372	335	523
EBITDA	(101)	266	110
PBT	(313)	102	(82)



Segment Wise Business Performance - Shipping

Operational Highlights

- Lower volume offtake due to reduction in Oil Production post OPEC developments
- Subsequently number of voyages reduced significantly
- Charter rates dip for VLCC sharply

Financial Performance

- Revenues impacted due to reduction in charter rates by c.15% . However, the vessels have been effectively placed either on time charter or spot market with occupancy of over 90%,

Outlook

- Near term impact due to GST implementation as Oil is kept out of purview while freight rates attract GST
- Charter rates expected to improve as bottom of the cycle reached
- Significant supply coming off as scrapping of ships expected on account of CAPEX requirements for Balance Water Management

<i>INR MN except as stated</i>	Q1FY18	Q1FY17	Q4FY17
Revenue	846	799	975
Expenses	412	449	698
EBITDA	434	350	277
PBT	(159)	(136)	(324)



Segment Wise Business Performance - Coal

Operational Highlights

- Focussed on maximising operational efficiencies maintained in the coal operations
- Production and costs adversely impacted because of heavy monsoon
 - Average Realisations higher at \$36/ tonne
 - Average Cost of Production \$25/tonne
- Looking at various opportunities to monetise the asset

<i>INR MN except as stated</i>	Q1FY18	Q1FY17	Q4FY17
Revenue	1,746	3,158	2,465
Expenses	1,359	2,945	2,079
EBITDA	387	213	386
PBT	295	10	1,162

FY17 Expense are net of Write-offs and accordingly EBITDA is adjusted



Segment Wise Business Performance – Oil & Gas

Sagar Samrat

- Aggressively pursuing completion of the Sagar Samrat Project
- During Q4 received an advance of \$4 mn and insurance claims and tax refunds of \$0.5 mn
 - Eased working capital requirements
- First undocking of the rig achieved during the quarter
- Expected to complete the project by Q3 FY18

<i>INR MN except as stated</i>	Q1FY18	Q1FY17	Q4FY17
Revenue	181	1,275	393
Expenses	166	432	1258
EBITDA	15	842	(865)
PBT	(26)	250	(1082)

Oil Blocks

- Received extension for completion of minimum work program (MWP)
- Subsequently, drilled an additional well. Testing planned alongside 3rd and 4th well, post monsoon
- MPL has now commenced drilling of the 6th well and expects to complete drilling of balance 3 wells and thereby, accomplish the MWP by December 2017
- Field Development plan underway for Jyoti 1 and 2
 - Expected to be submitted to DGH by Q3 FY18
 - Approval expected by Q4FY18
- On track for commercial production by first half of CY18

For Further Information:

Sheetal Khanduja

Go India Advisors

+91 9769364166

Sheetal@goindiaadvisors.com

Unaudited Financial Results For Quarter Ended June 30, 2017



INR Lakhs; except as stated

Sr. No	Particulars	Consolidated				Standalone			
		Quarter ended		Year ended		Quarter ended		Year ended	
		30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17
		Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	30,137.24	44,659.85	58,416.70	211,538.72	9,697.61	13,540.27	12,664.06	53,833.15
2	Other Income (net)	296.08	1,889.05	(616.12)	1,395.15	235.14	838.79	(376.51)	669.38
3	Total Income (1 + 2)	30,433.32	46,548.90	57,800.58	212,933.87	9,932.75	14,379.06	12,287.55	54,502.53
4	Expenses								
	(a) Cost of service rendered	20,863.81	28,460.60	38,468.63	138,362.84	5,990.56	8,793.39	5,976.02	30,692.98
	(b) Employee benefits expense	657.10	767.48	1,074.95	3,599.28	389.14	414.89	428.14	1,501.32
	(c) Finance Costs	3,949.81	5,978.89	5,543.65	22,436.08	1,976.07	1,595.33	1,770.64	7,565.44
	(f) Depreciation and amortisation	5,419.57	7,045.40	8,744.46	31,863.65	4,199.86	3,671.64	3,214.79	14,727.65
	(g) Other Expenses	1,559.85	7,514.16	1,717.18	10,754.66	685.05	852.26	354.64	2,054.06
	Total expenses	32,450.14	49,766.53	55,548.87	207,016.51	13,240.68	15,327.51	11,744.23	56,541.45
5	Profit /(Loss) from operations before exceptional items and tax (3-4)	(2,016.82)	(3,217.63)	2,251.71	5,917.36	(3,307.93)	(948.45)	543.32	(2,038.92)
6	Exceptional Items	-	-	-	915.62	-	-	-	915.62
7	Profit/(Loss) before tax (5 -6)	(2,016.82)	(3,217.63)	2,251.71	5,001.74	(3,307.93)	(948.45)	543.32	(2,954.54)
8	Tax expense								
	Current	858.99	1,745.49	42.67	2,002.59	24.00	20.00	28.00	100.00
	Deferred	(6.00)	117.65		117.65	-			
9	Net Profit /(Loss) from ordinary activities after tax (7- 8)	(2,869.81)	(5,080.77)	2,209.04	2,881.50	(3,331.93)	(968.45)	515.32	(3,054.54)
	Other Comprehensive Income/(Expenses) Net of Tax								
	Remeasurement gains /(loss) of defined benefit plans	(17.78)	(43.33)		(43.33)	(16.73)	(60.85)		(60.85)
10	Total Other Comprehensive Income	(17.78)	(43.33)	-	(43.33)	(16.73)	(60.85)	-	(60.85)
11	Total Comprehensive Income for the period (Net of Tax)	(2,887.59)	(5,124.10)	2,209.04	2,838.17	(3,348.66)	(1,029.30)	515.32	(3,115.39)
12	Total Comprehensive Income for the period attributable to Owners of the Company	(4,027.91)	(3,355.46)	1,661.02	2,414.74	(3,348.66)	(1,029.30)	515.32	(3,115.39)
	Non controlling Interest	1,140.32	(1,768.64)	548.02	423.43	-	-	-	-