

August 07, 2018

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

Dear Sir/Madam,

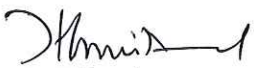
Re: USD 16,000,000 4.75% Convertible Bonds Due 2019 ("The Bonds")

Sub: Investor Presentation

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

Thanking you,

Yours faithfully,
For Mercator Limited


H. K. Mittal
Executive Chairman





EARNINGS PRESENTATION

Q1 FY19

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Strong Q1FY19 Consolidated Performance

Improved Financial Performance...

- Operating income up 63% sequentially
- Strong EBITDA margins of 32%; significant improvement over previous quarters
- Coal mining & logistics revenue up 5.4x sequentially; EBITDA up 67% QoQ

...Driven by Rebound in Operations

- Dredging: Strong order book of Rs. 149 crores
- Oil and Gas: Mining Lease received; First sale from oil block expected within August 2018
- Shipping: All vessels 100% deployed
- Coal: Operations fully ramped up

Particulars	Q1' FY19	Q1' FY18	Q4' FY18	FY18
Operating Income	216	248	132	745
Coal Trading Income	1	53	60	229
Other Income	3	7	23	36
Total Income	220	309	216	1,011
EBIDTA	70	78	33*	142*
EBIDTA Margin (%)	32%	25%	15%	14%
EBIT	22	24	5	(44)
EBIT Margin (%)	10%	8%	2%	-4%
PBT (before Exceptional Item)	(25)	(17)	(43)	(217)
PBT (after Exceptional Item)	(36)	(17)	(43)	(217)
PAT	(47)	(26)	(85)	(278)

**Adjusted EBITDA of Rs. 83 Crores in Q4 FY18 & 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 comprises of one-time settlement with vendors at our overseas subsidiaries w.r.t to legal disputes for past transactions for non-active businesses

Delivering on Stated Strategy

COAL

- Production and sales at optimum levels; achieved sales of c. 0.43 million tonnes in Q1FY19 despite Ramadan holidays in June 2018
- Sales of 3,600 GAR & 4,200 GAR in the ratio of 59:41

OIL AND GAS

- Mining lease granted in June 2018
- Equipment Mobilization commenced and completed
- First sale from oil block expected within August 2018

SHIPPING

- All vessels fully deployed
- Slight improvement in VLGC rates
- Increased profitability due to lower expenditure; majority of assets locked in time charter

DREDGING

- Significant traction in business
- Current order book of INR 149 crores
- The Company emerged as the lowest bidder in the tenders of Mormugao Port Trust & Gujarat Maritime Board (Porbandar Port Areas) – Total contract value Rs. 17 Crores
- Awarded maintenance dredging contract of Rs. 26 Crores (inclusive of GST) from Goa Navy for FY 2018-20

Guidance: FY19 & 20

	H1 FY19 Guidance	H2 FY19 Guidance	FY19 Guidance	FY20 Guidance
Revenue	INR 420-450 Cr	INR 780-850 Cr	INR 1,200-1,300 Cr	INR 1,450-1,550 crore
EBITDA	INR 135-145 Cr	INR 290-325 Cr	INR 425-470 Cr	INR 600-630 crore
EBITDA Margin	31%-32%	36%-38%	34%-36%	35%-40%

Significant Attributable PAT

Debt Reduction by 10%-15%

Improving Free Cash Flows

Significant growth in Revenue and EBITDA from H2FY19 driven by Oil & Gas and Coal ramp up and seasonal improvement in Dredging

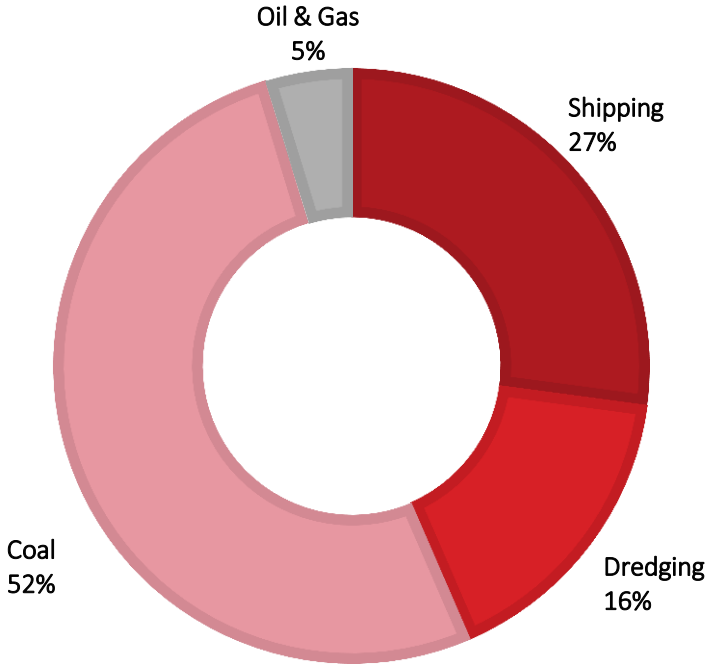


Q1 FY19 Performance

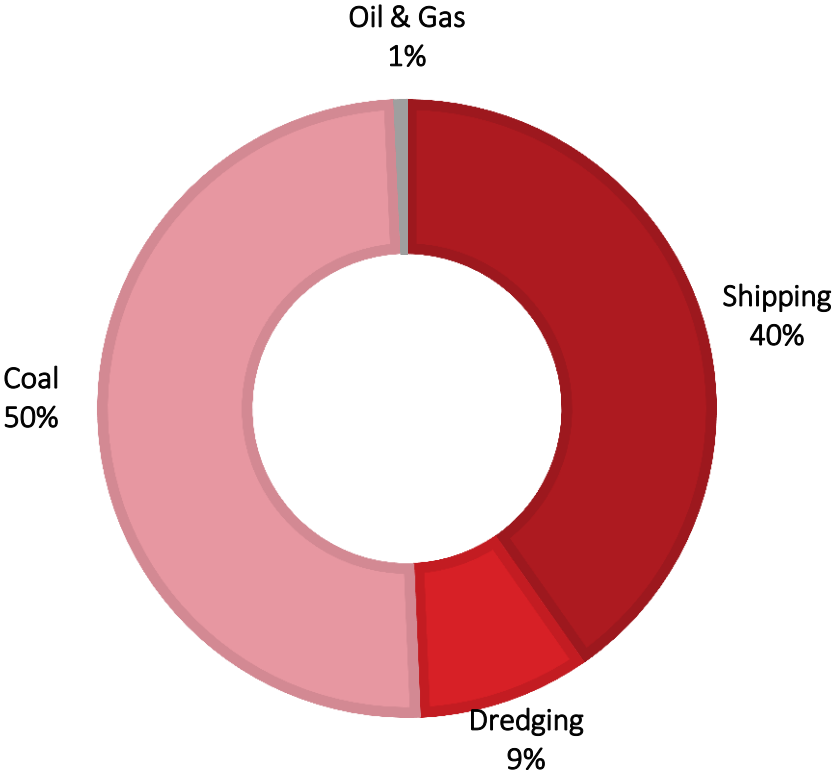


Q1 FY19 Segmental Performance

Q1 FY19 Total Income: INR 220 Crore



Q1 FY19 EBITDA: INR Rs. 70 Crore



Segment Wise Business Performance - Dredging

Financial Highlights

- Revenues up by 24% vis-à-vis Q1FY18
- Due to seasonality of business, Q1 is generally slower than later half of FY.
- EBITDA margin of 23% compared to loss in same quarter of previous fiscal year

INR Crore	Q1'19	Q1'18	Q-O-Q %	Q4'18	FY18
Revenues	33.7	27.1	24%	44.6	166.5
Other Income	4.8	2.9	68%	5.6	14.0
Total Income	38.5	29.9	29%	50.2	180.5
Expenses	29.6	36.8	-20%	33.2	134.7
EBIDTA	8.9	(6.9)	229%	17.1	45.8
EBIDTA %	23%	-23%		34%	25%

Operational Highlights

- Execution of some contracts got pushed to Q2
- Submitted bids for various medium to large value contracts

- The Company emerged as the **lowest bidder** in respect of **Mormugao Port Trust & Gujarat Maritime Board (Porbandar Port Areas)** – Total contract value Rs. 17 Crores
- The Company has been **awarded dredging contract** of Rs. 26 Crores (inclusive of GST) from **Goa Navy** covering the period FY 2018-20

Segment Wise Business Performance - Shipping

Financial Highlights

- Drop in revenues by 32% vis-à-vis Q1FY18 due to sale of two dry bulk carriers and an aged MR tanker in fiscal 2018
- Achieved strong EBITDA margin of 51% despite depressed rates compared to loss in Q4 of previous fiscal year

INR Crore	Q1'19	Q1'18	Q-O-Q %	Q4'18	FY18
Revenues	56.0	82.3	-32%	61.4	281.3
Other Income	7.3	5.8	24%	11.4	28.4
Total Income	63.3	88.1	-28%	72.8	309.7
Expenses	31.1	40.0	-22%	73.8	241.5
EBIDTA	32.2	48.1	-33%	(1.0)	68.2
EBIDTA %	51%	55%		-1%	22%

* EBITDA in Q4FY18 includes loss on sale of assets of INR 28 Crores

Operational Highlights

- All vessels gainfully employed, VLGC & VLCC on spot and rest on time charter
- VLCC running under a commercial pool managed by a leading tanker operator
- Slight improvement in VLGC rates

Segment Wise Business Performance - Shipping

Q1 FY19 Average Rates

Average (TCY \$ per day)	Q1 FY19	Q1 FY18	FY18
Product Tankers	\$ 11,521	\$ 13,115	\$ 12,135
FSO	\$ 26,000	\$ 26,000	\$ 26,000
VLCC	\$ 11,075	\$ 22,153	\$ 17,564
VLGC	\$ 11,885	\$ 29,386	\$ 18,959

Q1 FY19 Revenue Days

	Q1 FY19	Q1 FY18
Revenue days	533.25*	815.11

**Reduction in revenue days since the Company sold an aged Product tanker and two dry bulk carriers last year*

Revenue Coverage

Vessel Name	Charter Rates \$/Day	Contracted Till*
Prem Pride	26,000	Dec-20
Prem Mala	12,383	Mar-19
Vedika Prem	12,402	Jan-21
Hansa Prem	11,602	Mar-19
Sisouli Prem (VLGC)	Spot Rates	Spot Market
VLCC	Spot Rates	Spot Market

**Including extension option with the charterers*

Segment Wise Business Performance - Coal

Financial Highlights

- Sharp increase in coal mining & logistics revenues
- EBITDA increased 67% from 22 Crores in Q4FY18 to 37 Crores in this quarter
- Achieved Strong EBITDA margin of 32% - Better than Q1FY18, Q4FY18 and FY18

INR Crore	Q1'19	Q1'18	Q-O-Q %	Q4'18	FY18
Mining & Logistics Revenue	113.8	121.0	-6%	21.1	265.0
Trading Revenue	1.4	53.4	-97%	59.8	228.9
Other Income	0.4	0.3	68%	2.6*	3.2*
Total Income	115.7	174.6	-34%	83.5	497.1
Expenses	78.3	135.8	-42%	61.1	428.8
EBIDTA	37.4	38.8	4%	22.4	68.3
EBIDTA %	32%	22%		27%	14%

* Excludes valuation gain of Rs. 18 Crores

Operational Highlights

- Production and sales at optimum levels
- Sales of 0.43 million tonnes in Q1FY19 despite Ramadan holidays in June 2018
- Sale of 3,600/3,800 Kcal & 4,200 Kcal in the ratio of 59:41
- Handled 0.45 million tonnes of coal for third parties

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
- Handover process expected in Q4 FY19

INR Crore	Q1'19	Q1'18	Q-O-Q %	Q4'18	FY18
Revenues	12.6	17.7	-29%	5.2	32.5
Other Income	(2.3)	0.0	0%	(0.6)	0.2
Total Income	10.3	17.7	-42%	4.6	32.6
Expenses	9.8	16.9	-42%	6.6	47.5
EBIDTA	0.5	0.7	-34%	(2.0)	(14.9)
EBIDTA %	5%	4%		-43%	-46%

Consolidated Adjusted EBIDTA

Adjusted EBIDTA				
INR Crore	Q1 FY19	Q1 FY18	Q4 FY18	FY18
EBIDTA	69.8	77.9	33.4	141.9
Add: Adjustments				
Provision for Doubtful Debts	-	3.0	3.9	8.9
Loss on sale of dry bulk carrier	-	-	27.7	66.6
Profit on sale of MR tanker	-	-	-	(1.6)
Provision towards disruption in coal business	-	-	7.3	34.6
Provision towards slow moving old trading debtors	-	-	6.9	6.9
Impairment of Investment	-	-	3.7	3.7
Expenditure in respect of change orders in EPC project without corresponding increase in revenue	-	-	-	10.6
Adjusted EBIDTA	69.8	80.9	82.9	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 Ended June 30, 2018									
									(Rs. in crore)
Particulars		Consolidated				Standalone			
		Quarter ended		Year ended		Quarter ended		Year ended	
		30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
1	Income								
	(a) Revenue from operations	217.49	192.18	301.37	974.21	82.46	96.97	96.98	405.67
	(b) Other income	2.84	23.76	4.60	36.47	12.12	16.98	8.72	42.41
	Total Income	220.33	215.94	305.97	1,010.68	94.58	113.95	105.70	448.08
2	Expenses								
	(a) Cost of services rendered	132.29	101.74	208.64	668.68	48.65	58.52	59.91	244.28
	(b) Employee benefits expense	8.03	12.00	6.57	30.10	3.98	4.41	3.89	17.69
	(c) Finance costs	46.66	48.49	41.14	173.16	30.72	25.47	26.13	104.23
	(d) Depreciation and amortisation	47.91	28.42	54.19	186.04	35.10	11.22	42.00	137.76
	(e) Other expenses	10.19	68.55	15.60	170.01	3.18	35.37	6.85	86.94
	Total expenses	245.08	259.20	326.14	1,227.99	121.63	134.99	138.78	590.90
3	Profit/(loss) from operations before exceptional items and tax (3-	(24.75)	(43.26)	(20.17)	(217.31)	(27.05)	(21.04)	(33.08)	(142.82)
4	Exceptional items	(11.73)	-	-	-	-	-	-	-
5	Profit/(loss) before tax (3 - 4)	(36.48)	(43.26)	(20.17)	(217.31)	(27.05)	(21.04)	(33.08)	(142.82)
6	Tax expense								
	Current tax	(8.32)	(39.77)	(8.59)	(58.12)	(0.40)	(41.47)	(0.24)	(42.17)
	Deferred tax (net)	(1.75)	(2.12)	0.06	(2.12)	-	-	-	-
7	Net profit/(loss) after tax (5 - 6)	(46.55)	(85.15)	(28.70)	(277.55)	(27.45)	(62.51)	(33.32)	(184.99)

The exceptional item of INR 11.73 Crores comprises of one-time settlement with vendors at our overseas subsidiaries w.r.t to legal disputes for past transactions for non-active businesses

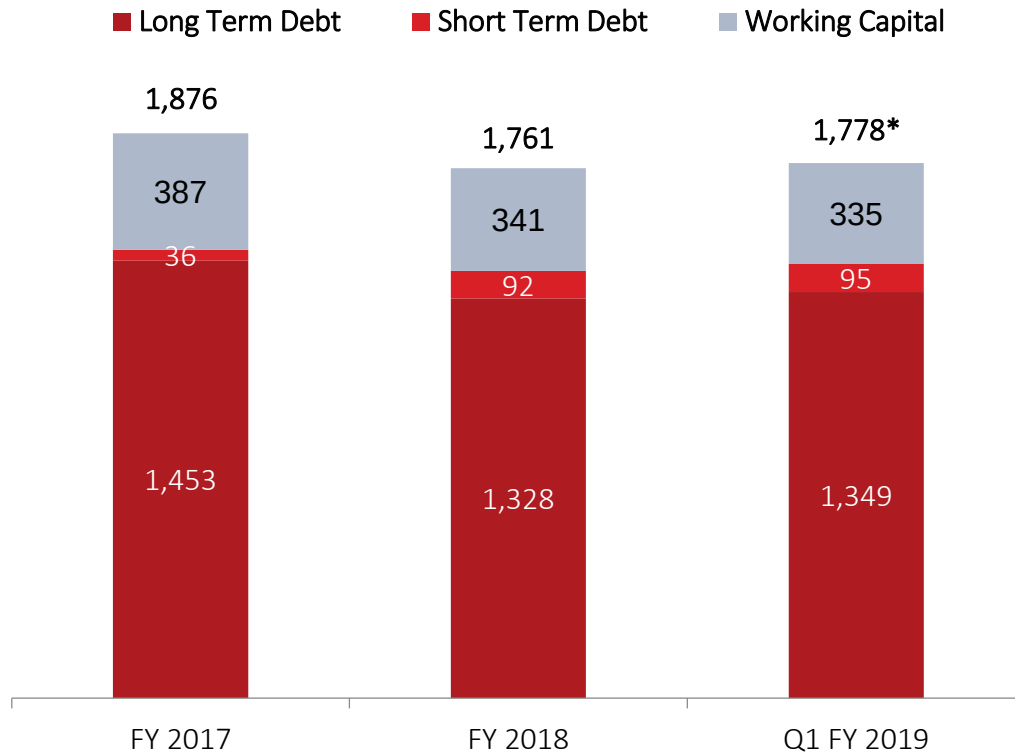
Consolidated Financial Performance

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 Ended June 30, 2018									
									(Rs. in crore)
Particulars		Consolidated				Standalone			
		Quarter ended		Year ended		Quarter ended		Year ended	
		30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
8	Other comprehensive income								
	(A) (i) items that will not be reclassified into profit or loss	0.20	1.33	(0.18)	1.49	0.18	0.71	(0.17)	0.92
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	(B) (i) items that will be reclassified into profit or loss	-	-	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total Other comprehensive income /(Loss)	0.20	1.33	(0.18)	1.49	0.18	0.71	(0.17)	0.92
9	Total comprehensive income for the period/year (comrprising profits and other comprehensive income for the period/year) (7+8)	(46.35)	(83.82)	(28.88)	(276.06)	(27.27)	(61.80)	(33.49)	(184.07)
10	Total comprehensive income for the period/ year attributable to :								
	Owners of the company	(56.79)	(91.03)	(40.29)	(294.03)	(27.27)	(61.80)	(33.49)	(184.07)
	Non controlling interest	10.44	7.21	11.41	17.97	-	-	-	
11	Paid up equity share capital (FV of Re.1 per share)	30.25	30.25	26.99	30.25	30.25	30.25	26.99	30.25
12	Paid up debt capital	-	-	-	100.00	-	-	-	100.00
13	Other equity	-	-	-	922.43	-	-	-	741.16
14	Basic and diluted earnings per share	(1.88)	(3.22)	(1.49)	(10.42)	(0.90)	(2.19)	(1.24)	(6.52)

De-Leveraging Status and Debt Maturity Profile - Q1 FY2019

All figures in INR crore

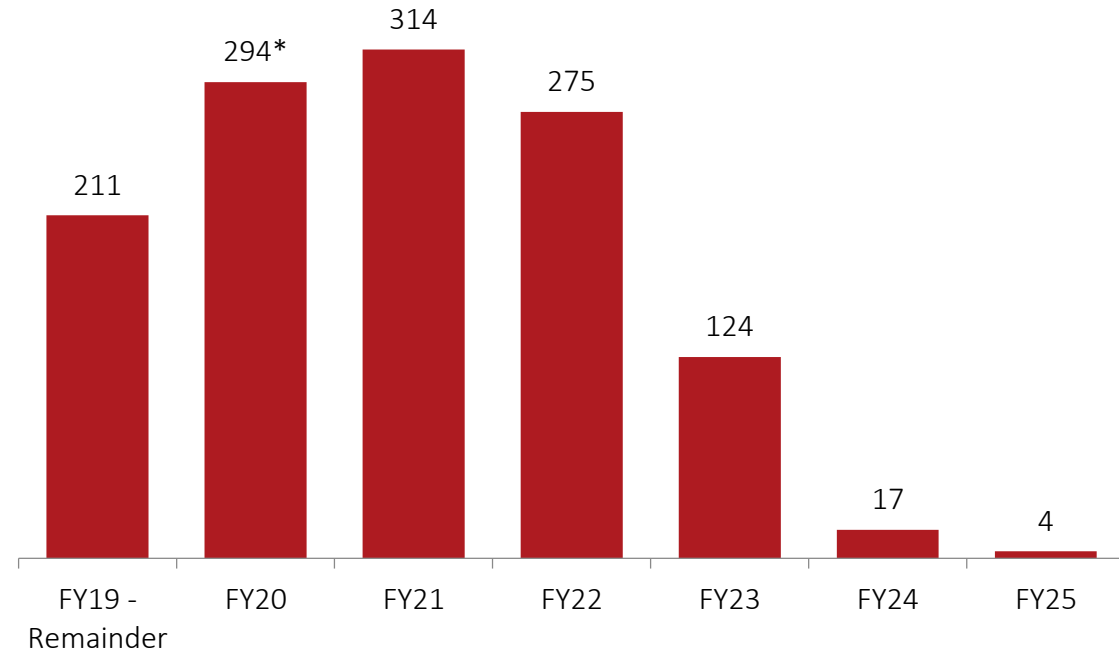
De-Leveraging Status



Dollar Debt reduced by USD 12.01 Mio in Q1FY19. NCD of Rs. 30 Crores issued in Q1FY19.

*Negative impact of Rs.63 Crores on account of exchange fluctuation in Q1 FY19

Long Term Debt Maturity**



*FY20 excludes FCCB of USD 16 Mio

** Repayment reinstated as per closing exchange rate of Q1 FY19

Note: Repayment largely from internal accruals and partly from oil block funding



Q1 FY19 Segmental Outlook

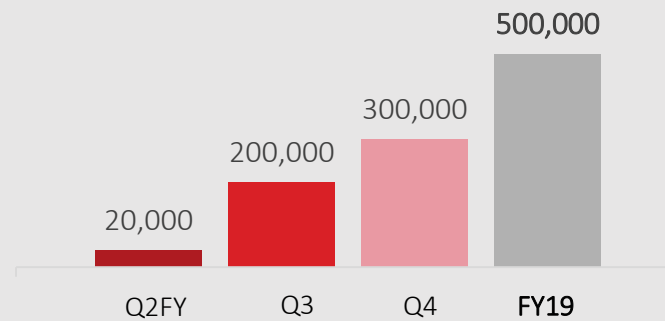


Onshore Oil & Gas Blocks

Delivering Strong progress in the E&P segment

- Mining Lease granted in June 2018 for a period of 20 years
- Mobilization of equipment completed in Q2 FY19
- First sale from oil block expected within August 2018
- Environmental clearance for the development wells, yet to be drilled is under progress

- Initial production: c.500 barrels/day
- FY19 exit production rate: c.5500 barrels/day
- Projected production:
 - FY19 - c.500,000 barrels
 - FY20 – c.2 mn barrel



* 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



Aug 17:
Declaration of Commerciality



Feb 18:
Approval of FDP



Mar/Apr 18
Production Trial Run



June 18:
Mining Lease Approval



August 18:
First Sale

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**
 - FY19 and 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

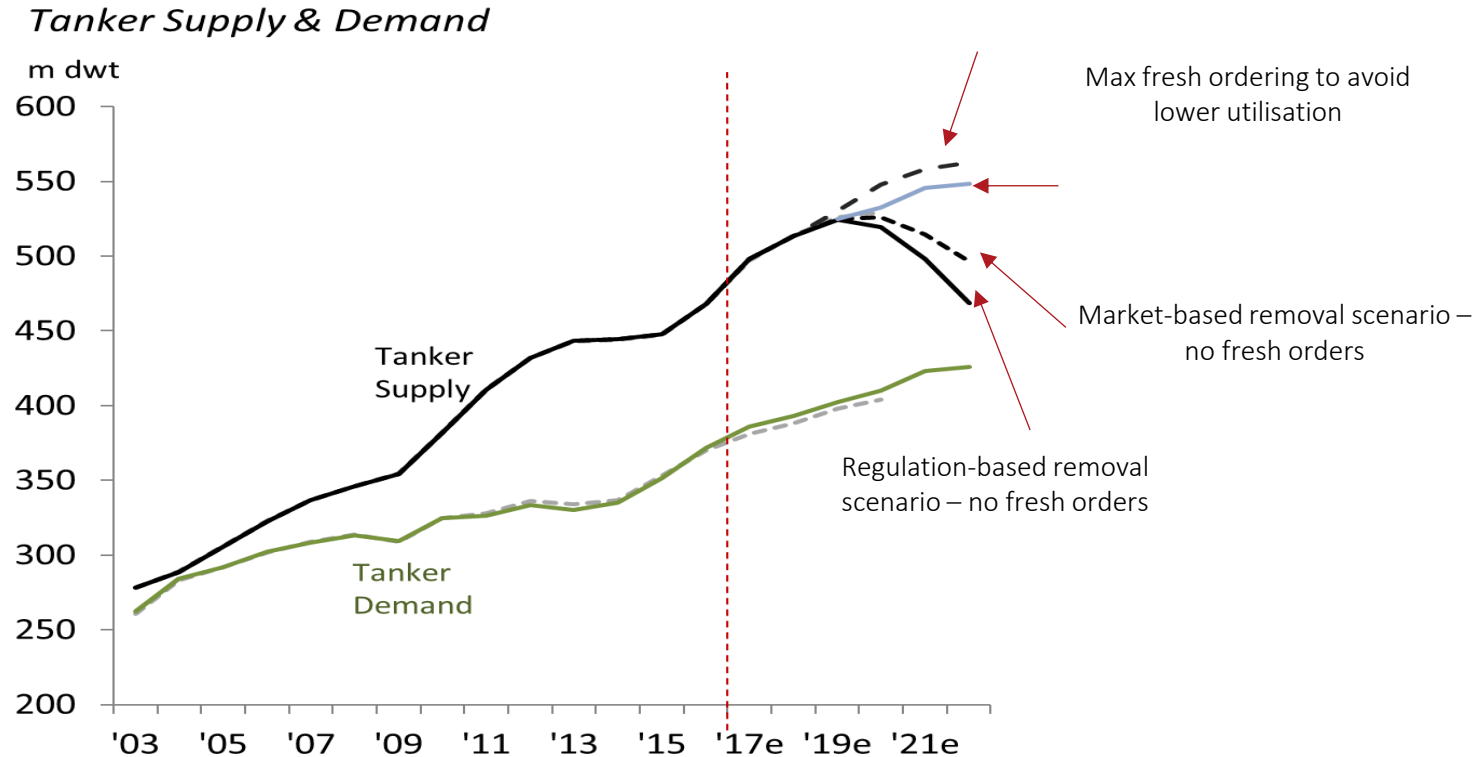
Orders in hand pending execution in remaining quarters of FY19 out of current order book of INR 149 Crores

Expected Order Inflow	INR 100-170 Crores
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*Significant business traction; Tendering commenced in Inland waterways
Results expected in H2FY19*

Shipping

Repetition of 5 year average ordering patterns



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

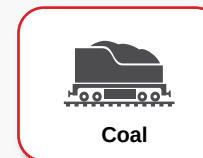
On-shore oil block in India with over 23 MN Barrels of proven reserves and significant upside

EPC

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

4 Coal

- Mining, Trading, & 3rd Party logistics solutions



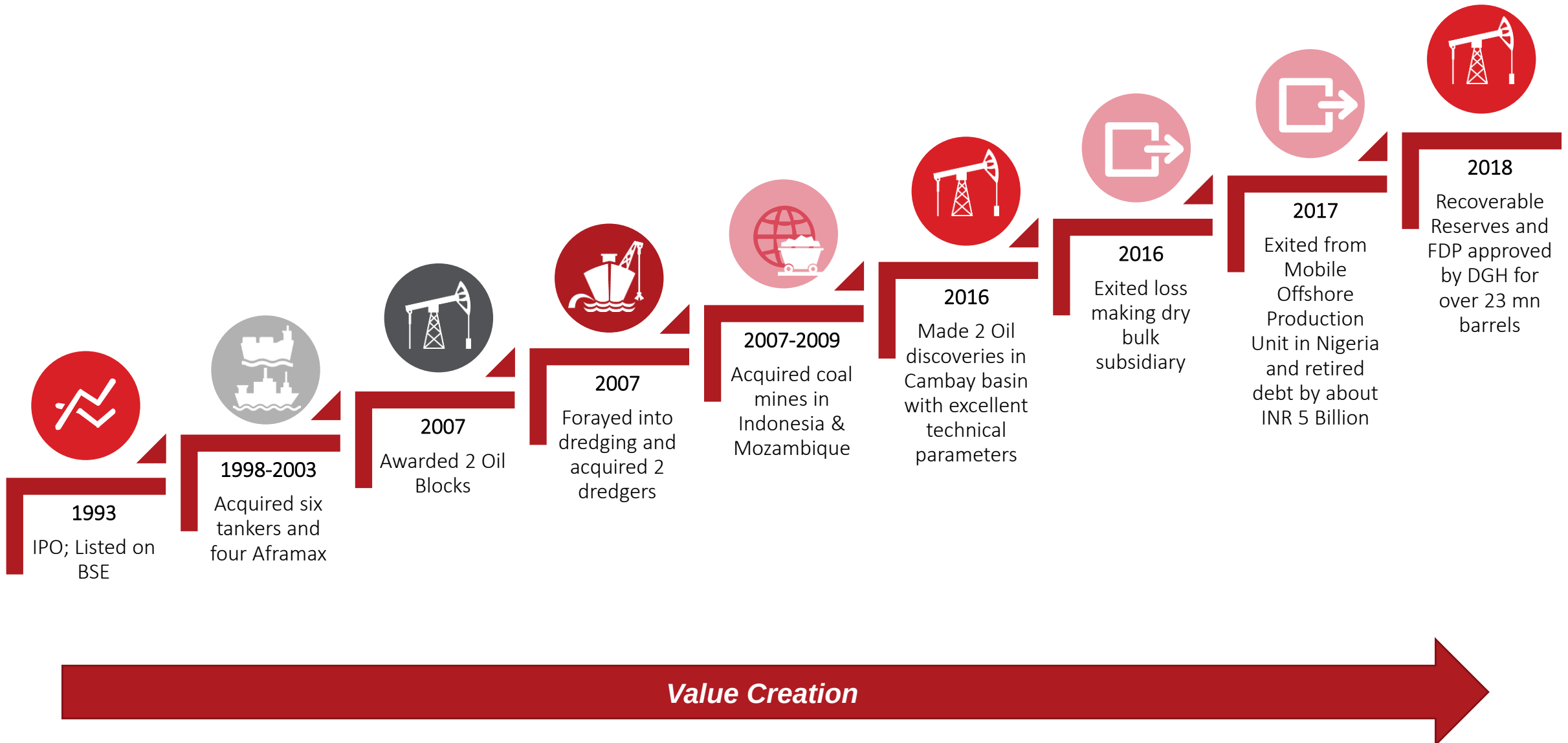
Mining

Indonesia – 1 Operational Mine
Mozambique – 1 Mining license

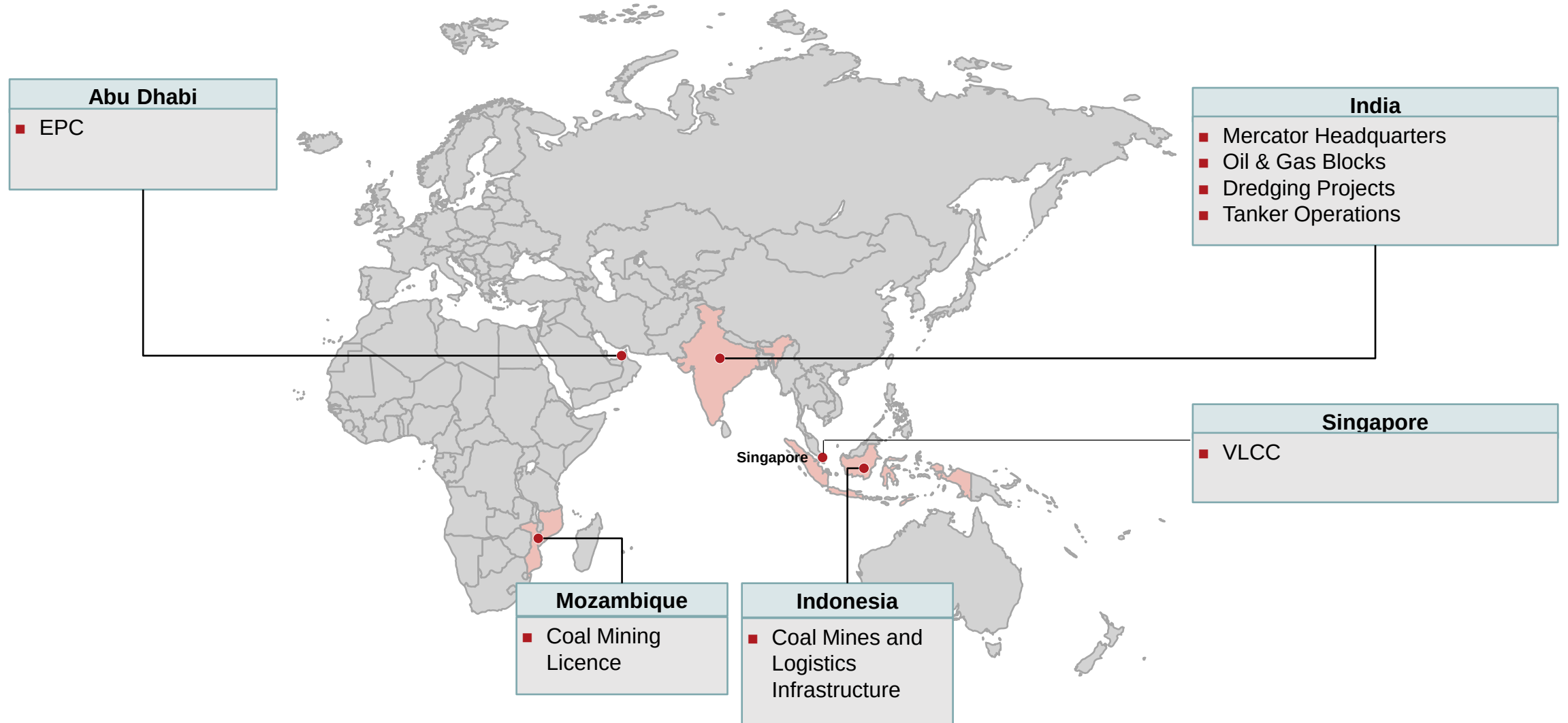
Infrastructure

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.

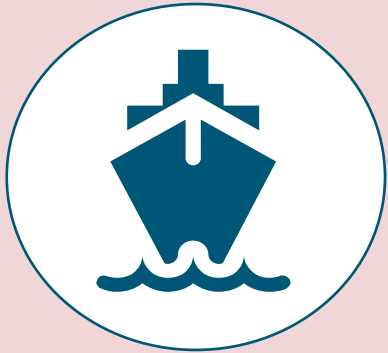


Mr. Rajendra Kothari
Chief Financial Officer

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.

Our Strong Asset Base

Shipping



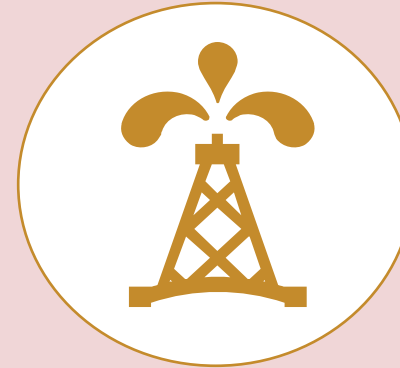
Fleet	DWT	No.	Avg Age
Product Tanker	125,329	3	20
Floating Storage Offloading	109,415	1	19
VLCC	299,235	1	12
Total Wet Bulk	533,979	5	17
VLGC	50,400	1	26
Total Gas Segment	50,400	1	26
Grand Total	584,379	6	19

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

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