

February 11, 2017



To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

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: 526235

Scrip Code: MERCATOR

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**


Deepesh Joishar
Company Secretary

Encl: as above

MERCATOR LIMITED
(CIN : L63090MH1983PLC031418)

31 Mittal Tower - B, Nariman Point, Mumbai - 400021, India. Tel: +91 22 66373333 Fax: +91 22 66373344 mercator@mercator.in

EARNINGS PRESENTATION
Q3FY17
BSE-code : 526235
NSE-code : MERCATOR





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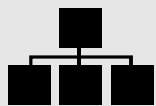
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Q3 Performance Highlights



Key Operational Highlights

1. Achieved all time monthly high in crushing, dispatch and third party loading quantity of coal.
2. Secured Time Charter contract of Rs.1200 Mn For MR tanker 4 years (2+2) commencing in January-2017.
3. 2 year time charter of VLCC completed in December 2016 and vessel deployed at higher spot rate from January 2017 onwards.
4. Effective date of Sale of MOPU is 17th November 2016 is expected to be completed in February-2017.
5. DGH cleared essentially certificate to facilitate drilling campaign for Block CB-9 at cambay basin.



Key Financial Highlights

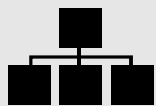
1. Net term Debt repayment in FY-17Q3 is Rs.179.78 Mn (approx) and FY-17-Q4 is expected to Rs.5,262 Mn (approx)
2. Coal EBITDA has increased to Rs.1,017 Mn (FY-16 Rs 431 Mn) on YTD basis.

QIP Update



Rationale

1. 2,50,00,000 Equity shares of face value of Re. 1/- each at a premium of Rs. 39.75 per equity share aggregating to Rs. 1018.75 million.
2. After allotment Government of Singapore & Monetary Authority Of Singapore stake has increased to 7.74%



Utilisation of QIP Proceeds

1. Debt repayment of approx. Rs 560 Mn
2. For growth opportunities such as acquisitions and strategic initiatives and general corporate purposes.

Consolidated Financial Performance

For 3 Months ended December-2017

<i>INR MN except as stated</i>	Q3FY17	Q3FY16	Y-O-Y %	Q2 FY17	Q-o-Q %
Revenue	5,851	7,146	-18%	5,031	16%
Other Income	20	(4,442)	100%	(8)	361%
Expenses	4,235	5,809	-27%	3,262	30%
EBITDA	1,636	(3,105)	153%	1,762	-7%
Interest	525	541	-3%	569	-8%
Depreciation	710	1,202	-41%	902	-21%
PBT	401	(4,848)	108%	290	38%
Tax	6	(6)	201%	16	-64%
PAT before Exceptional Item	396	(4,842)	108%	274	44%
Exceptional Item	92	-		-	
Minority Interest	88	(1,687)	105%	77	15%
Attributable PAT	216	(3,155)	107%	198	9%
EPS (Rs/Share)	0.88	(12.88)	107%	0.81	9%



YTD-9 Months ended December-2017

<i>INR MN except as stated</i>	9M FY17	9M FY16	Y-O-Y %	FY16 *
Revenue	16,688	21,206	-21%	27,064
Other Income	(49)	(4,494)	99%	(179)
Expenses	11,597	17,339	-33%	27,621
EBITDA	5,041	(626)	905%	(736)
Interest	1,646	1,851	-11%	2,447
Depreciation	2,482	3,542	-30%	7,712
PBT	913	(6,019)	115%	(10,895)
Tax	26	13	93%	102
PAT before Exceptional Item	888	(6,032)	115%	(10,997)
Exceptional Item	92	-		-
Minority Interest	219	(2,132)	110%	(2,096)
Attributable PAT	577	(3,900)	115%	(8,901)
EPS (Rs/Share)	2.36	(15.93)	115%	(36.35)

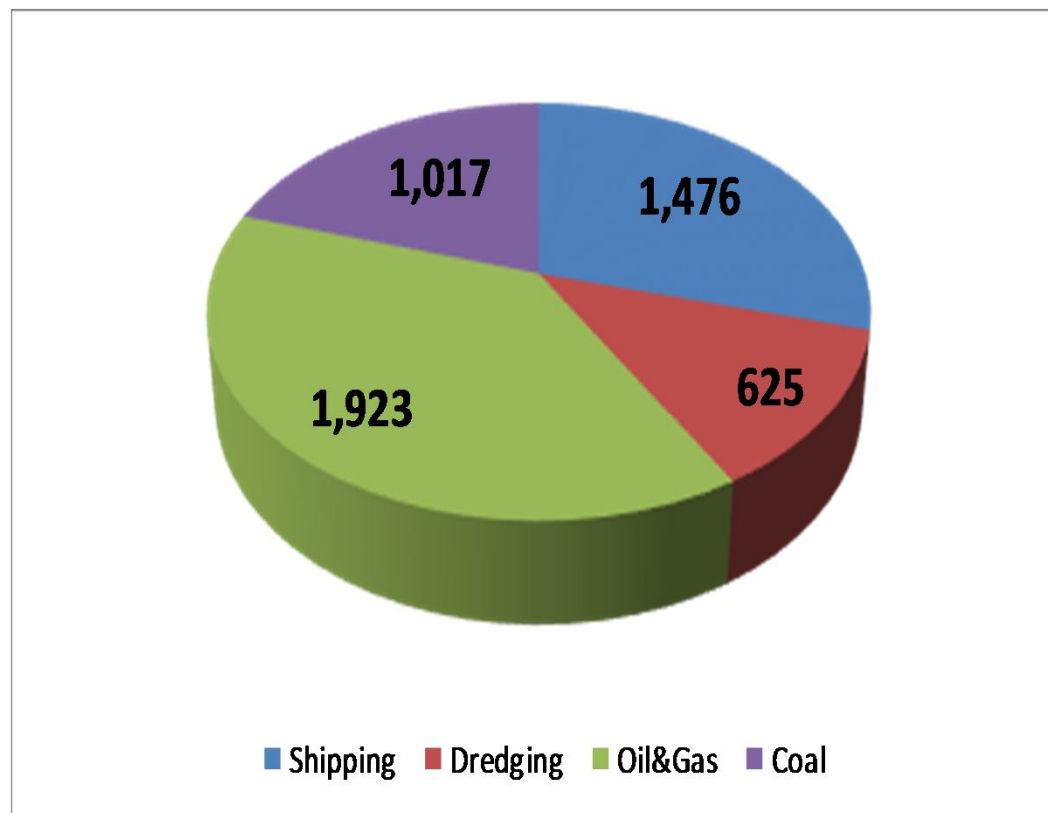
* As per IGAAP

Consolidated Segmentwise EBITDA contribution

Nine months ended Dec, 31 2016

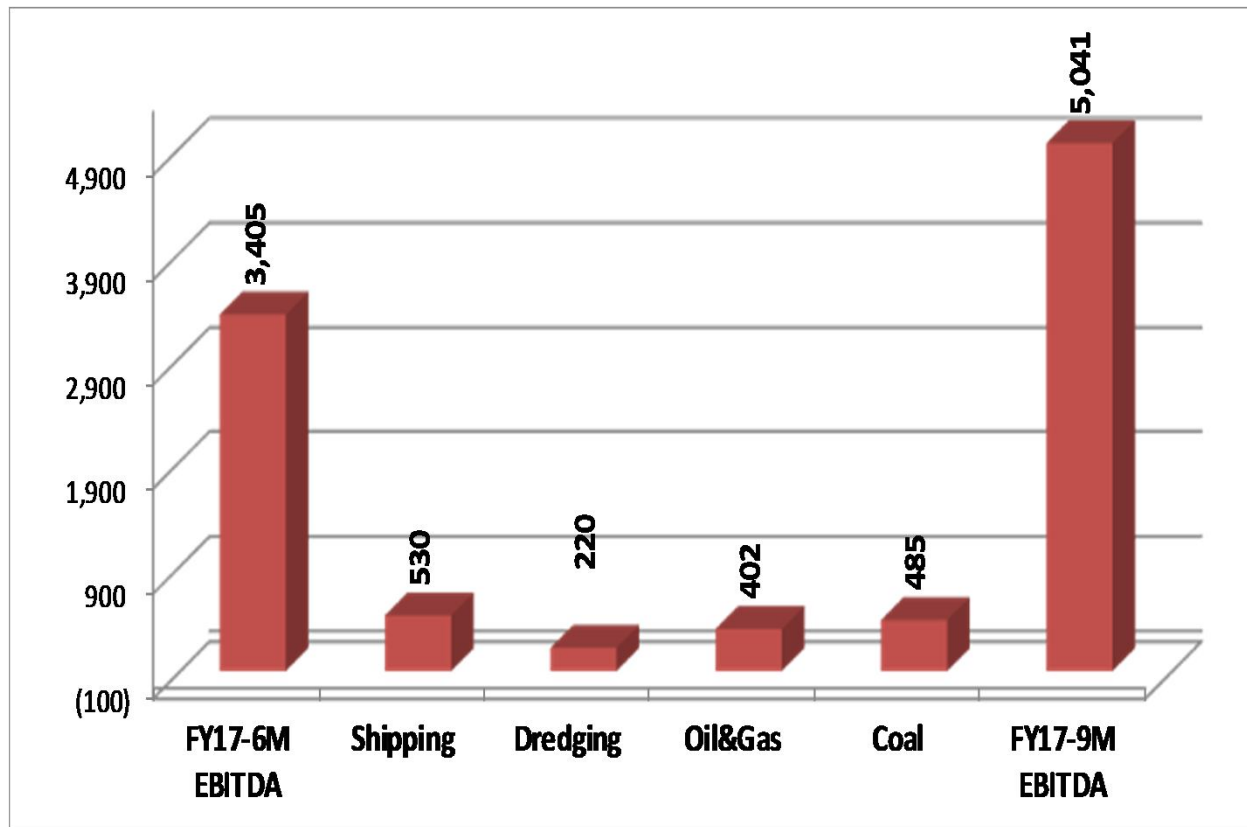
Segment	Rs Mn
Shipping	1,476
Dredging	625
Oil&Gas*	1,923
Coal	1,017
Total (Rs)	5,041

* Includes MOPU income till 17th November 2016.



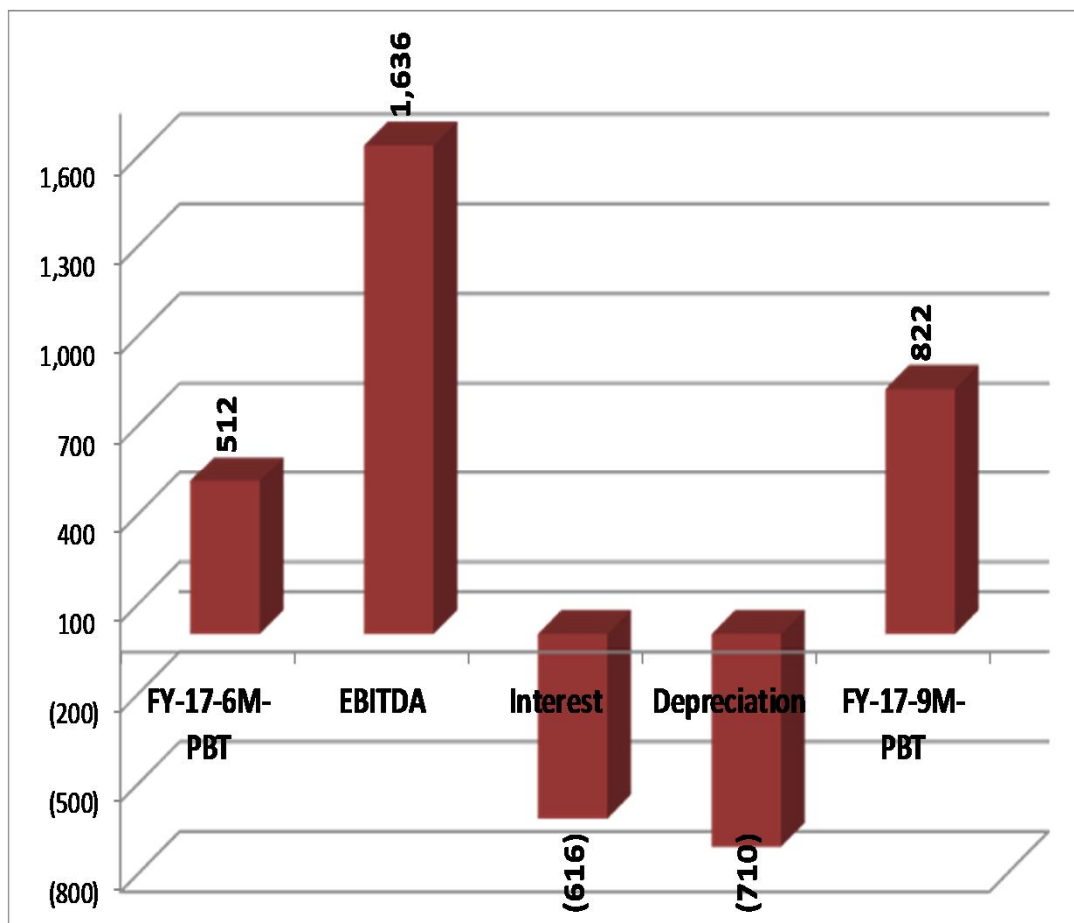
Consolidated EBITDA bridge YTD 6Months TO 9 Months

INR Mn



Consolidated PBT bridge YTD 6Months TO 9 Months

INR Mn



Segment Wise Business Performance - Dredging

Operational Highlights

Revenue for Q3 has declined due to unscheduled repairs of a dredger.

Outlook

- Bidding for multiple port contracts underway
- Bid pipeline of INR 20 bn

<i>INR MN except as stated</i>	Q3FY17	Q3FY16	Y-O-Y %	Q2 FY17	Q-o-Q %
Revenue	693	857	-19%	782	-11%
Expenses	473	586	-19%	642	-26%
EBITDA	220	271	-19%	140	57%
PBT	(23)	107	-122%	(41)	44%

<i>INR MN except as stated</i>	9M FY17	9M FY16	Y-O-Y %
Revenue	2,076	2,276	-9%
Expenses	1,450	1,510	-4%
EBITDA	625	766	-18%
PBT	37	351	-90%

* Previous year figures are regrouped as per Ind AS.

Segment Wise Business Performance - Tankers

Operational Highlights

- Secured Time Charter contract of Rs.1200 Mn For MR tanker for 4 years (2+2) commencing in January-2017.**
- 2 year time charter of VLCC completed in December 2016 and vessel deployed at higher spot rate from January 2017 onwards**
- No charter in leading to lower Expenses.**

<i>INR MN except as stated</i>	Q3FY17	Q3FY16	Y-O-Y %	Q2 FY17	Q-o-Q %
Revenue	827	816	1%	940	-12%
Expenses	287	387	-26%	337	-15%
EBITDA	540	429	26%	603	-10%
PBT	(5)	(5)	4%	47	-111%

<i>INR MN except as stated</i>	9M FY17	9M FY16	Y-O-Y %
Revenue	2,567	2,592	-1%
Expenses	1,023	1,216	-16%
EBITDA	1,544	1,376	12%
PBT	(35)	79	-144%

* Previous year figures are regrouped as per Ind AS.

Segment Wise Business Performance – Coal and Logistics

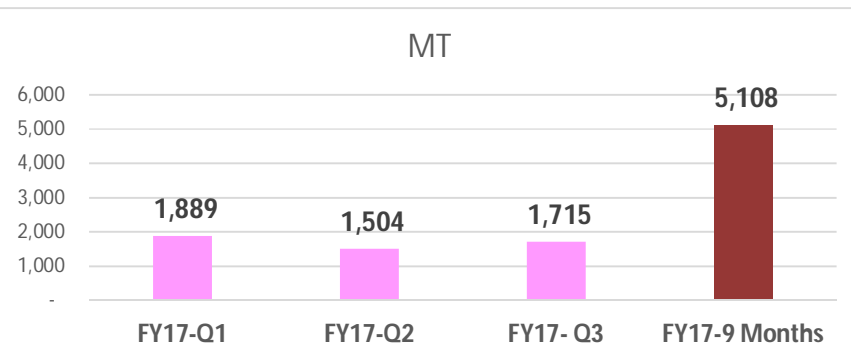


Operational Highlights

1. Average selling price has gone up
2. Handling Quantity has gone up to 0.65Mn MT (previous Qtr 0.50 Mn MT).

Outlook

<i>INR MN except as stated</i>	Q3FY17	Q3FY16	Y-O-Y %	Q2 FY17	Q-o-Q %
Revenue	3,637	3,738	-3%	2,213	64%
Expenses	3,152	3,597	-12%	1,886	67%
EBITDA	485	142	242%	326	49%
PBT	370	44	750%	195	89%



<i>INR MN except as stated</i>	9M FY17	9M FY16	Y-O-Y %
Revenue	8,999	10,064	-11%
Expenses	7,982	9,632	-17%
EBITDA	1,017	431	136%
PBT	577	65	783%

* Previous year figures are regrouped as per Ind AS.

Segment Wise Business Performance – Oil & Gas

MOPU and Sagar Samrat

- **Sagar Samrat is expected to be completed in Q2-FY-18. Expected debt reduction on completion is Rs.1,221 Mn by Q2-FY-18.**
- **DGH cleared essentially certificate to facilitate drilling campaign for Block CB-9 at cambay basin. Drilling of further wells expected to start by March 2017 end.**
- **Sale of MOPU expected to be completed in February-2017.**

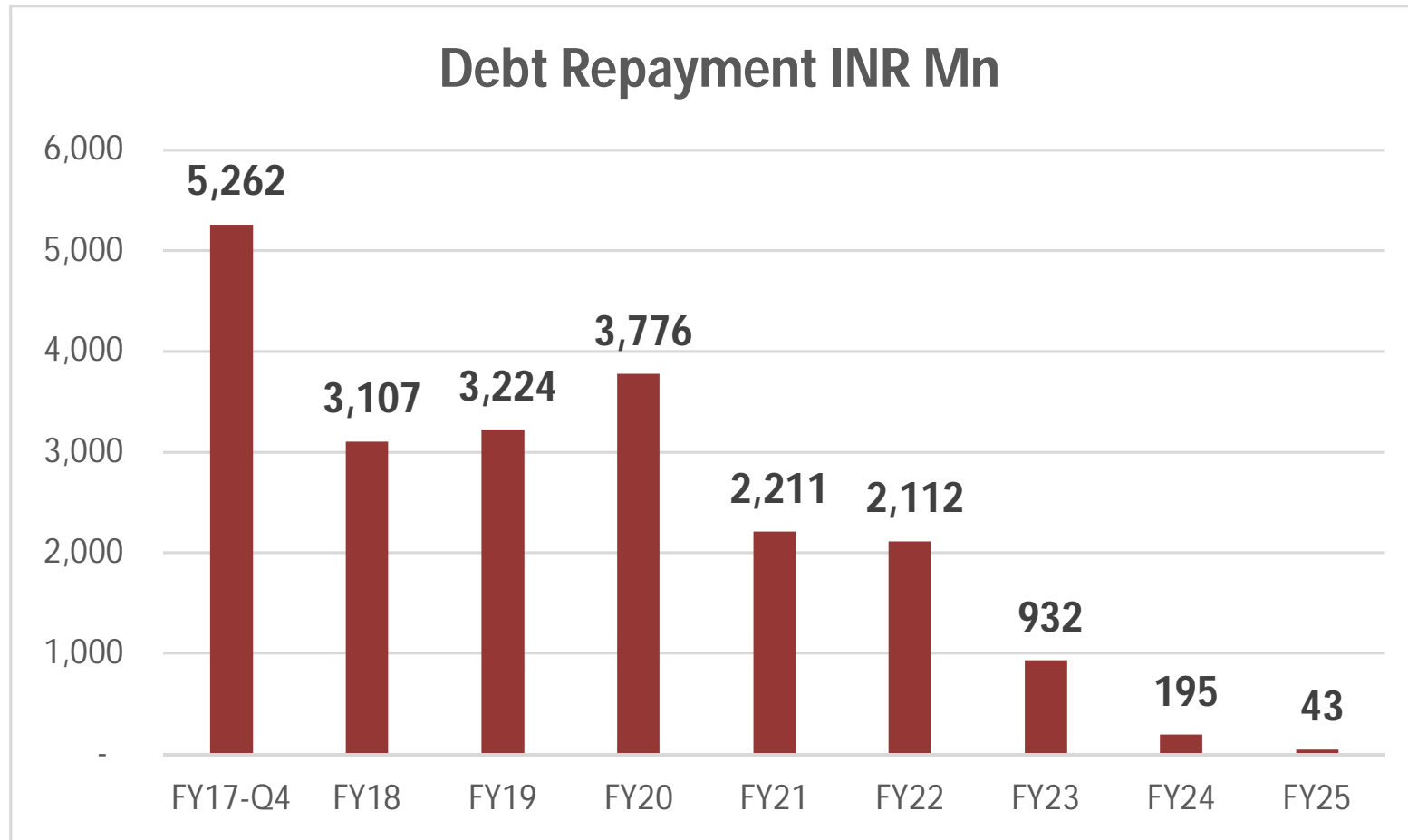
Deleveraging Status

- Long Term debt reduced by 33% to Rs. 20,557 mn
- MOPU sale proceeds to be used for further debt reduction by approx Rs 5000mn.
- Efficient working capital management; working capital lower at Rs.4,250 mn.
- Term Debt to reduce to Rs.15,600 Mn (approx.) by March-2017.

<i>INR MN except as stated</i>	9M FY17	9MFY16	Y-O-Y %	FY16*
Long Term Debt	20,557	30,731	-33%	21,728
Working Capital	4,250	6,328	-33%	4,925
Cash	1,638	1,221	34%	1,011
Net Debt	23,169	35,839	-35%	25,642

* As per IGAAP

Debt Maturity Profile*



* After QIP, sale of MOPU and efficient working capital management net term debt is expected to come down to Rs.15,600. Mn.(Approx) from Rs.21728 Mn as of 31st March 2016.



FY18 – Key Priorities

- **De-Leveraging**
 - Focus on De-Leveraging to continue
- **Dredging**
 - Key focus area going forward
 - Strategic bidding being under taken with strong focus on higher profitability.
 - Bid pipeline of Rs.20bn
- **Tankers**
 - VLCC currently deployed at a substantially higher rate
 - Take advantage of lower asset prices and build up asset base
- **Oil and Gas**
 - Assets with high quality crude reserves
 - Further well drilling expected to commence by March 2017.
 - Completed exploration and appraisal commence production activities by FY-18
- **Coal**
 - Maintain operational efficiency, coal prices expected to remain firm.



Thank You