

NEWS RELEASE

Mercator Limited announces un-audited financial results for the quarter ended June 2016 (Q1FY17).

Mercator Limited (“the Company” or “Mercator”) with business interests in Shipping, Dredging, Coal and Oil & Gas, today announced its un-audited financial results for the quarter ended June 30, 2016 (Q1FY17).

FINANCIAL HIGHLIGHTS (Q1 FY 2017 vs Q1FY 2016)

- Consolidated PBDIT increased by ~38% to Rs. 165 cr (Rs. 119 cr in Q1FY16)
- Consolidated PAT Rs. 22.09 cr (Loss of Rs. 58 cr in Q1FY16)
- Standalone PBDIT increased by ~12% to Rs. 55 cr (Rs. 49 cr in Q1FY16)
- Standalone PAT increased by ~46% to Rs. 5.15 cr (Rs. 3.50 cr in Q1FY16)

On standalone basis, the company has improved its operating margins to ~43% from ~35% with EBITDA of Rs 165 cr. On consolidated level, the operating margins increased to ~28% from 17%. The group reported a Net Profit after Tax of Rs. 22cr at the consolidated level before minority interest, compared to Net loss of Rs. 58 cr in Q1FY16. Consolidated EBITDA for the group was reported at Rs. 165 cr.

The segment wise revenue break-up of Q1FY17:

Segment	Rs. in crores	Contribution to revenue
Coal	316	54%
Oil & Gas	127	22%
Dredging	60	10%
Shipping	80	14%
Total	583	100%

The Company has consolidated long term borrowings of about Rs. 2600 cr as at June 30, 2016.

The Company plans to reduce its debt by about Rs. 450 cr each during FY 2016-17 and 2017-18 out of free cash flows from business.

Said Mr. H. K. Mittal, Executive Chairman of Mercator “We are happy with the company’s performance with healthy growth in net profits. With Mercator’s strong competitive advantages in all its business divisions we are excited about the group’s future prospects”

Business Commentary / Highlights

Shipping

All tankers and Gas Carrier were gainfully deployed and continue to run efficiently.

Dredging

Dredging division continues to perform very well with high level of order book for this year and extending to next year as well.

Dredging business in India has significant scope in future. Govt of India is envisaging substantial investment in maritime business including development of domestic waterways for goods transportation. the company hopes to receive more orders in future.

COAL

Company's mines continue to run satisfactorily.

Coal Mining & Trading volumes stood at 1.4 Million MT during the quarter ended June 2016. Additionally; the Company handled nearly 0.48 Million MT in the logistic infrastructure segment during Q1FY17.

Oil and Gas

The Floating Oil and Gas Production Unit (FPU) at the EBOK field in Nigeria continues to operate efficiently.

The Company through its subsidiary has following participating interest:

- 100% participating interest in 2 blocks in Cambay Basin, Gujarat- CN-ONN-2005/9 & 2005/03
- 25% participating interest in 2 blocks in Offshore Myanmar-Block "M-4" & Block "YEB".

The Company had earlier in 2015; announced Oil discovery of good quality in two well out of Oil Blocks in Cambay Basin with better flow rates; opening up a large corridor of possible hydrocarbon accumulation in the area. The Company has embarked upon completion of Minimum work program as per Production sharing contract with Ministry of Petroleum and Natural Gas; Govt of India.

The Company hopes to start production of these oil blocks during next financial year subject to necessary approvals. Necessary funding for this exploration has been tied up.

The Blocks in Myanmar are in the initial study period prior to the exploration stage.

About the Company:

Mercator Limited is one of India's Energy and Shipping group with business interest in Oil & Gas, Coal, Shipping and Dredging.

Mercator's Oil & Gas business owns and operates one Mobile Offshore Production Unit (MOPU) and Floating Storage (FSO), own Oil blocks and is also currently executing a large EPC project for ONGC, India.

The Coal division operates a coal mine in Indonesia along with Coal trading and infrastructure logistics and has a mining license in Mozambique. Its coal mines also leases out its infrastructure to external parties generating revenues from 'logistics and infrastructure' in Indonesia.

The Shipping division owns and operates Dredgers, Tankers, Gas Carrier and Bulkers. The company with its Dredging division is amongst the largest dredging companies in India. The acquisition of two dredgers during FY16 substantially enhances the capacity and capability of the Company to serve the coastal dredging activities at major and minor ports of India as well as the Indian Navy.

The Group services primarily Indian / International Oil Majors, Indian Navy and has established strong relationships with its reputed end user customers such as Indian Oil Corporation, ONGC, HPCL, BPCL, BG Exploration & Production, some major Indian Ports, to name a few.

For Mercator Limited

Deepesh Joishar
Deepesh Joishar
Company Secretary
July 29, 2016

