MERCATOR
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September 15, 2017

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 526235

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: MERCATOR

SUB.: CHAIRMAN'S SPEECH & PRESENTATION

Dear Sir,

We enclose herewith copy of Chairman's Speech and Presentation being delivered today at 33rd Annual General Meeting of the Company at Rangaswar Hall, 4th Floor, Y. B. Chavan Center, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400021.

Please acknowledge and take the same on records.

Thanking you,

Yours faithfully,

For **MERCATOR LIMITED**

Suhas Pawar
Company Secretary

Encl.: as above

CHAIRMAN'S SPEECH

A very warm welcome to everyone. On behalf of the Board of Directors, it gives me immense pleasure to welcome you to the 33rd Annual General Meeting of Mercator Limited.

FY17 was a transformational year for the company. Towards the beginning of last year, we successfully reorganised our business to focus on 4 key verticals – Dredging, Shipping - that is Oil Tankers, Coal and Oil and Gas.

We continue to maintain our focus on generating better returns and to that extent our adjusted EBITDA grew to Rs 656 Crore, compared to Rs.538 Crore last year. We have successfully completed our QIP issue, which was fully subscribed by marquee Qualified Institutional Buyers including the Govt of Singapore. Your Company successfully completed the sale transaction of MOPU was in February 2017. This not only reduced the debt of the company by around INR 500 Crores but also significantly reduced the geographical and credit risk attached to the contract. The Company's long-term debt during FY17 reduced 34% from INR 2,139 crores to INR 1,416 crores. Further, with efficient management working capital is also now lower at around INR 423 crores. Going forward de-leveraging will continue to remain our one of our key strategic priority. On the Business front, your company's shipping & dredging division continues to deliver satisfactory results.

In shipping, we have secured a time charter contract of around INR 120 crores for our MR tanker for a period of 4 years, commencing in January-2017. Currently the focus of your management is towards operational efficiency, maintenance of our fleet & strategic capital allocation to create superior shareholders return.

Dredging, today, your company is strategically positioned to benefit from Government of India's vision to make India a global transhipment hub and enhanced used of inland water ways for more efficient transportation. Inland waterways development represents a huge opportunity for the dredging business. As one of the largest private sector dredging company in India, our extensive experience would surely help us get a slice of this business. Pipelines for upcoming contracts is strong and growing.

Our Coal Mines Assets in Indonesia continue to perform well. We have strategically focused on improving productivity and cost optimisation. We have achieved a record 1.7 mil ton of production and 4.3 mil of total throughput last year

Exploration activities in our Oil Assets in Cambay continue to progress well., We have recently announced that the Director General of Hydrocarbons (DGH) has reviewed the discoveries from MPL's first two wells, Jyoti #1 & Jyoti #2, in Bharuch Area of Gujarat and concur that the discoveries are commercially viable. We have commenced preparation of a detailed Field Development Plan (FDP) and will be submitting it to the DGH soon. MPL aims to start production from the wells once FDP is approved by DGH and all the statutory clearances are obtained. These are Tier 1 Oil Assets and the crude is light sweet. The assets are also located under 20 kms from the closest refinery, thereby no major evacuation infrastructure is needed. Our oil and gas business will lead your group to huge growth potential in coming years!

The market cap for Mercator Limited has increased by 129% from Rs. 549.78 Crores as on 31st March 2016 to Rs. 1,259.05 Crores as on 31st March 2017.The rise in the market cap could be attributed to our prudent exit from the non-core assets, deleveraging of the overall debt and the positive outlook for the overall business across divisions.

Mercator strongly believes that Corporate Social Responsibility as a philosophy and approach can help bring together different sectors of the society and provide equal opportunities for development. As a responsible Corporate; Mercator always endeavours to adopt responsible social business practices. Prem Punita, our CSR wing undertook several initiatives this year like Health camp, Wheelchair distribution for the physically challenged, Adult Literacy Course, Skill development program and many more for the betterment of the society.

Across our operations, safety, environment and health come first and we are strongly committed to ensure that our operations are safe and free of any risks or hazards. We employ best-in-class standards and ensure our teams have the correct capabilities and knowledge to be better prepared for evolving business challenges.

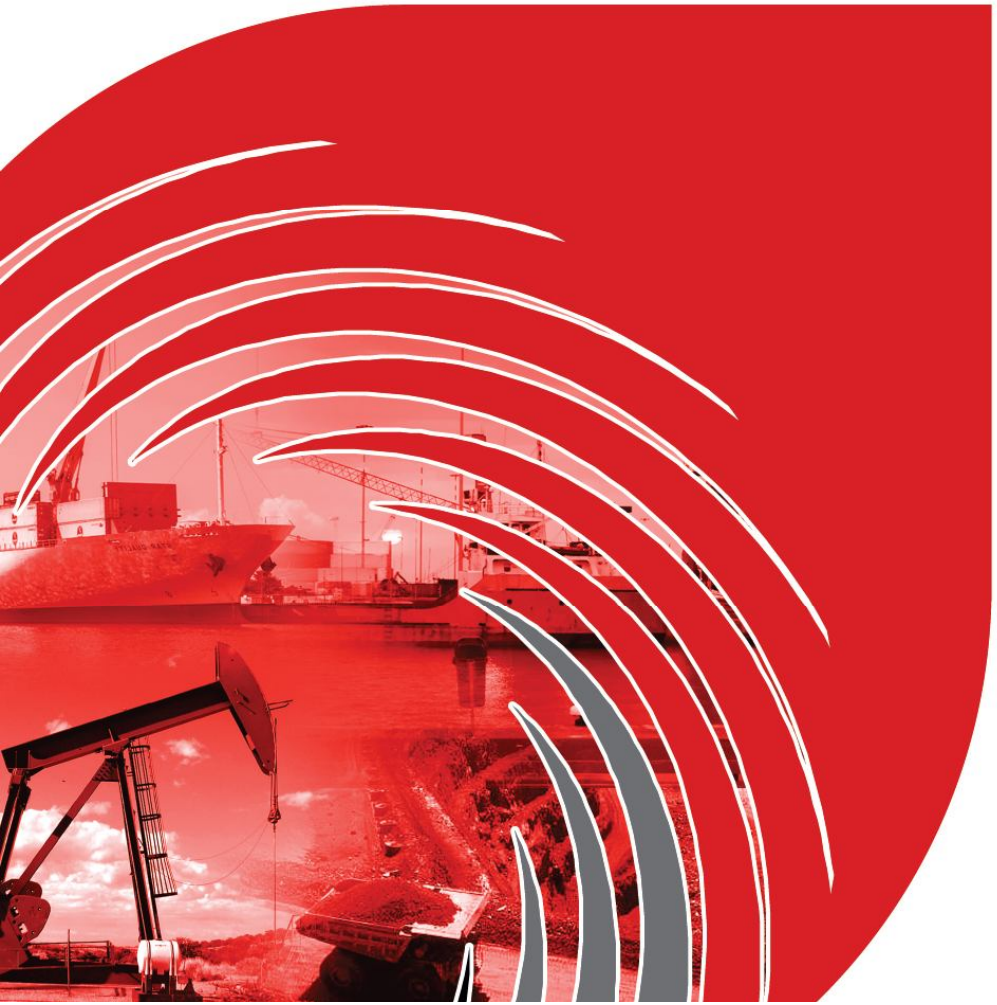
In closing, I am very confident and excited about this phase in our Company. The multiple growth opportunities combined with our strong leadership and management teams make us ready for the next wave of growth.

Thank You.

H. K. Mittal

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Performing Resolutely. Delivering Responsibly.



AGM Presentation

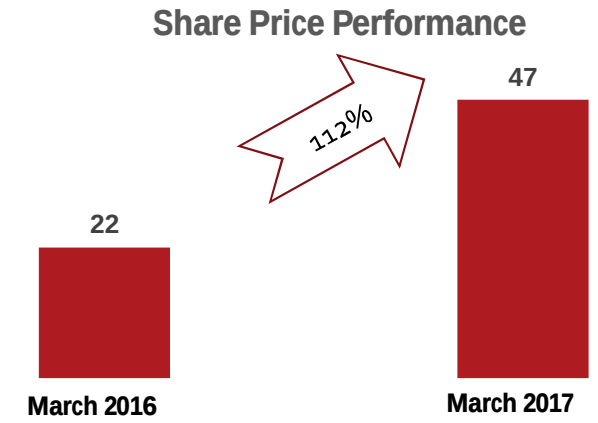
SEPTEMBER 2017

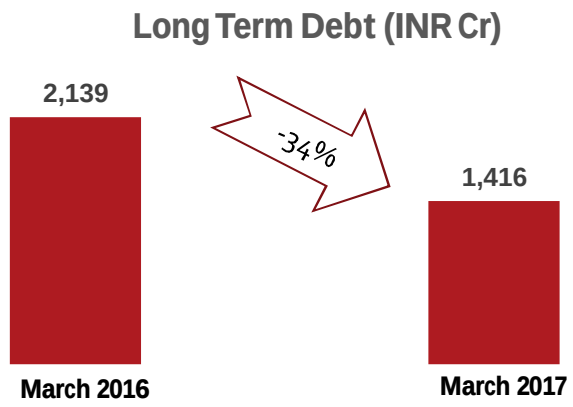
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FY17 Key Achievements

- Balance Sheet Significantly Improved
- Long Term Debt Reduced by around 34%
- Improved operating performance across businesses – Achieved highest ever annual production in Coal
- Successfully exited non core assets – proceeds utilised for further reducing debt





Business Performance - Dredging

Highlights

- Amongst the largest private sector dredging companies
- FY17 Profitability impacted due to Dry Docking and extended monsoons in Q2
- Strong Bid Pipeline of around INR. 500 Crores



Outlook

- Significant focus of GOI on Dredging and Inland Water Ways Development
- Strong GOI initiative under the Sagar mala project involving projected annual dredging demand of around INR. 12,000 Crores
- Inland Waterways Authority of India is developing NW-1 under the Jal Marg Vikas Project (JMVP) an expenditure of INR 5,370 Crores has been envisaged to be made over the period of next seven years.
- National Water Development Agency is working on the river inter-linking project between Maharashtra & Gujarat which necessitates substantial dredging

Business Performance - Shipping

Highlights

- Vessels have been effectively placed either on TC 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 Ballast Water Management



Business Performance - Coal

Highlights

- Achieved highest ever annual production - 1.7 MMT of production and 4.3 MMT of total throughput .
- Maximum operational efficiency maintained in the coal operations
- Cost optimised significantly
- Rates continue to be firm



Business Performance – Oil and Gas

Exploration : Cambay Basin

- 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

EPC – Sagar Samrat

- Aggressively pursuing completion of the Sagar Samrat Project
- Expected to complete the project by Q4 FY18



FY18 Priorities



- Continued focus on de-leveraging and strengthening balance sheet
- Net Debt reduced to around INR 1700 Crores
- Conservatively expect to exit the year with a Net Debt of around INR 1400 Crores

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

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

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

- Focussed on maximising operational efficiencies
- Rates continue to be firm

Financial Performance

Consolidated

INR Cr	FY17
Revenue	2,272
Expenses	1,661
EBITDA	610
Interest	232
Depreciation	319
PBT	59
Exceptional Item	(9)
Tax	(21)
PAT	29
OCI Adjustment	(0.4)
Comprehensive Income	28
Minority Interest	(4)
Attributable PAT	24
EPS (Rs/Share)	0.97

Segment Wise

INR Cr	Dredging	Shipping	Coal	O&G & Others	Total
Revenue	271	367	1,146	332	2,115
Expense	197	163	1,006	93	1,459
Adj. EBITDA	74	203	140	239	656
PBT	(5)	(59)	174	(61)	50

Debt Profile

INR Cr	FY16	FY17
Long Term Debt	2,139	1,416
Working Capital	493	423
Cash	101	131
Net Debt	2,531	1,708

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Thank You