



ANNUAL REPORT | 2016-17

**STRONG  
PERFORMANCE.  
STRONGER  
RESOLVE.**



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## Forward Looking Statement

This report and other statements – written and oral – that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

# Corporate Information

## Board of Directors

**Mr. H. K. Mittal**

*Executive Chairman*

**Mrs. Archana Mittal**

**Mr. M. M. Agrawal**

**Mr. Gunender Kapur**

**Mr. Deshraj Dogra**

*(w.e.f. February 15, 2017)*

**Mr. Atul J. Agarwal**

*Executive Vice Chairman (upto September 30, 2016)*

**Mr. K. R. Bharat**

*(upto November 30, 2016)*

**Mr. Prem Rajani**

*(w.e.f. December 1, 2016)*

*upto January 10, 2017)*

## Audit Committee

**Mr. M. M. Agrawal**

*Chairman*

**Mr. Deshraj Dogra**

*Member*

**Mr. H. K. Mittal**

*Member*

**Mr. Gunender Kapur**

*Member*

## Stakeholders' Relationship Committee

**Mr. M. M. Agrawal**

*Chairman*

**Mr. H. K. Mittal**

*Member*

**Mr. Gunender Kapur**

*Member*

## Chief Executive Officer

**Mr. Shalabh Mittal**

## Chief Financial Officer

**Mr. Kiran Vaidya** *(Officiating Chief Financial Officer)*

*(w.e.f. May 30, 2017)*

**Mr. Prasad Patwardhan**

*(upto May 29, 2017)*

**Mr. Kishor Shah** *(Group Chief Financial Officer)*

*(upto November 12, 2016)*

## Company Secretary

**Mr. Suhas Pawar**

*(w.e.f. April 10, 2017)*

**Mr. Deepesh Joishar**

*(upto February 28, 2017)*

## Auditors

**M/s. CNK & Associates LLP**

## Bankers

**State Bank of India**

**ICICI Bank**

**Axis Bank**

**HDFC Bank**

**YES Bank**

## Debenture and Security Trustees

**Axis Trustee Services Limited**

Axis House, 2nd Floor, Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg, Worli, Mumbai – 400 025

Phone: +91 22 2425 5215/5216 | Fax: +91 22 2425 4200

Email: debenturetrustee@axistrustee.com

## Corporate Identification Number (CIN)

**L63090MH1983PLC031418**

## Registered Office

3rd Floor, Mittal Tower, B-Wing,  
Nariman Point, Mumbai – 400 021

**Tel:** + 91 – 22 – 66373333/40373333

**Fax:** + 91 – 22 – 66373344

**Website:** www.mercator.in

**E-mail:** mercator@mercator.in / investors@mercator.in

## Registrar & Transfer Agents

**Link Intime India Pvt. Ltd.**

C101, 247 Park, L.B.S. Marg,  
Vikroli (West), Mumbai – 400083

**Tel:** + 91 – 22 – 49186000 | **Fax:** + 91 – 22 – 49186060

**E-mail:** rnt.helpdesk@linkintime.co.in

# Message from Chairman and CEO



**H. K. Mittal**, *Executive Chairman*

## *Dear Shareholders,*

FY17 was a transformational year for the company. Towards the beginning of last year, we successfully restructured our business to focus on 4 key verticals – Dredging, Shipping (Oil Tankers), Coal and Oil and Gas. Today, we have evolved into one of the largest private sector dredging companies in India with a strong technical skill set and is well poised to gain from the government initiative on National Water Highways.

We have successfully moved from a cyclical business cycle to a more annuity type business with a strong visibility on earnings. Our Tier 1 Oil and Gas Assets are developing well and would significantly enhance our earnings profile in the near future.

With the business restructuring in place, it had been a busy year for your company as we continued to strengthen our skill



**Shalabh Mittal**, *Chief Executive Officer*

set in each of our four key areas of operations. We are now strategically well positioned to benefit from Government of India's strong focus on water infrastructure. At the same time, our well- diversified business portfolio is now significantly der-risked and provides a much higher visibility on earnings.

The Government of India's vision to make India a global transshipment hub, along with the announcement of certain large dredging projects, reflects the high potential of the Indian dredging market and we are looking forward for the changing scenario. Our extensive experience has helped us bid profitably and complete the contracts awarded. We have secured a 3-year contract from New Mangalore Port Trust for about ₹ 98 Crores, DGNP Vizag for ₹ 39 Crores L1 and other port contracts worth ₹ 15 Crores. We are also strategically considering Inland water dredging and are in active discussion

for the same. We, at Mercator operate a diverse dredging fleet which helps us select the appropriate equipment for different maintenance dredging projects accordingly. We emphasize on preventive maintenance in order to reduce the downtime and enhance the vessel's life.

Our assets in the shipping segment look attractive and we are constantly evaluating options to acquire new assets on an asset-light model basis. This ensures long term success and stability. In these challenging times, effective fleet utilization with cost optimization is the key for better earnings and we are proud to report that your company has built world class operational and technical capability. From the business development front, we have secured a time charter contract of around ₹ 120 crores for our MR tanker for a period of 4 years, commencing in January-2017. The 2-year time charter we were engaged in with VLCC was completed in December 2016 and the vessel has been deployed on spot rates from January 2017 onwards. Currently the focus of your management is towards operational efficiency, maintenance of our fleet & strategic capital allocation to create superior shareholders return.

Further, Mercator Petroleum Limited (MPL), our subsidiary company, has recommenced its exploratory drilling activities post receipt of retrospective extension from DGH. Commercial feasibility of the block has since been reviewed and approved by the DGH. The Company shall now test the exploratory wells already drilled and complete the drilling program within the current fiscal year. The company expects to commence commercial production during 1st half of FY 18 and will contribute significantly to the profitability of the group. These are Tier 1 Oil Assets and the crude is light sweet (41 degree API), thus ensuring that no major processing is needed before selling it; and also ensuring that it receives a good premium. The assets are also located under 20 kms from the closest refinery, thereby ensuring that no major evacuation infrastructure is needed.

In March 17, we have also achieved an all-time monthly high in crushing, dispatch and third-party loading quantity of coal. The EBIDTA for coal has increased by 82% compared to quarter ended 30th June 2016. Hence, we can fairly conclude that all the 4 Verticals are self-sustaining and will contribute significantly towards the top line.

We have successfully completed our QIP issue, which was fully subscribed by marquee Qualified Institutional Buyers and also has helped to increase our net worth. Necessary resolution is being placed at the ensuing AGM for your approval to enable the Company to raise funds up to \$50 million by way of issue of securities/Foreign Currency Convertible Bonds through QIP/ADR/GDR or any other method in India or abroad. This should help the Company to replace its high cost funds as well as for other permitted uses including expansion. In another interesting development, your Company's sale transaction of MOPU was successfully completed in February 2017. From the proceeds of this sale, we

were able to repay approximately ₹ 500 Crores of outstanding debt. The company has taken steps towards re-financing subsequently reducing the high cost short term borrowings. Post sailing and commissioning of Sagar Samrat, the working capital debt of close to ₹ 120 Crores shall reduce. The group is in talks with various institutions for raising of funds by way of FCCB's so as to effectively reduce the average cost of Debt. The Company's long term debt now stands reduced by 34% from ₹ 2,139.35 crores to ₹1,416.13 crores. Further, with more efficient management of working capital it is now lower at ₹ 425 crores. With this encouraging progress, our focus on de-leveraging will continue.

During the year FY17, our consolidated revenue dipped by 21% to 2,115.39 crores from ₹ 2,706.75 crores in FY16. However we significantly lowered our expenses by a over 40%, from ₹ 3,807.31 crores in FY16 to ₹ 2,221.61 crores in FY17, thereby substantially increasing the Profit After Tax to ₹ 24.15 crores from loss of ₹ 880.98 crores in FY16. The board has recommended a dividend of 5% for the year.

We are committed on creating a world-class energy company with a strong focus on generating superior shareholders return. We are well positioned to benefit from the Government of India's focus on port development and water infrastructure. Our strong skill set in Dredging and our large fleet strategically positions us in the current environment. We are focused on effectively deploying our assets on high margin and specialized jobs. Our Tankers and coal business continues to provide us stable earnings. Balance sheet improvement and deleveraging continues to remain our key focus area. We will also look at various strategic options to monetise our non-core assets to meet this objective.

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.

We would also like to take this opportunity to thank all our stakeholders for their immense support and commitment and we look forward to the same level of confidence. We are also immensely thankful to our board members and members of our leadership team for their continued guidance in our transformation journey. We are proud of the contributions of our dedicated and hardworking employees who are working relentlessly in our growth journey and for creating a great future for us.

Warm Regards,

**H. K. Mittal**  
Executive Chairman

**Shalabh Mittal**  
Chief Executive Officer

# Notice

**NOTICE** is hereby given that the Thirty Third Annual General Meeting of the members of Mercator Limited will be held on Friday, September 15, 2017, at 3:00 p.m. at Rangaswar Hall, 4th Floor, Y. B. Chavan Center, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021, to transact the following business:

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and Auditors thereon; and
  - b. the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2017 together with the Report of Auditors thereon.
2. To declare Dividend on Equity Share Capital for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mrs. Archana Mittal (DIN:00007972) who retires by rotation, and being eligible, offers herself for re-appointment.
4. **To appoint M/s. Singhi & Co., Chartered Accountants (FRN:302049E), as Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Singhi & Co. (FRN:302049E), Chartered Accountants, Mumbai be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. CNK & Associates LLP, Chartered Accountants, Mumbai (FRN:101961W), the retiring Statutory Auditors, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 38th Annual General Meeting of the Company, subject to ratification of their appointment as may be required, at such remuneration plus such taxes as may be applicable and reimbursement of out-of pocket expenses in connection with the audit as the Board of Directors/ Audit Committee may fix in this behalf."

## **SPECIAL BUSINESS:**

5. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of

the Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule IV to the Act, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Desh Raj Dogra (DIN: 00226775), a Non-Executive Independent Director of the Company who was appointed as an Independent Director by the Board of Directors of the Company to hold office up to the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from the member under Section 160 of the Companies Act, 2013 along with requisite deposit proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of five years from the date of this Annual General Meeting and will hold office till the conclusion of the 38th Annual General Meeting of the Company."

6. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the recommendation/approval of Audit Committee, Nomination & Remuneration Committee and the Board of Directors at their respective meetings held on May 30, 2017, consent of the Company be and is hereby accorded to payment of remuneration to Mr. Shalabh Mittal, the CEO of the Company and a relative of Director, and to continue to hold office or place of profit in the Company with the designation as "Chief Executive Officer" or with such other designation as the Board of Directors of the Company may from time to time, decide; inter alia, on the following terms and conditions of his remuneration:

- a) Salary: not exceeding ₹ 1,00,00,000/- (Rupees One Crore Only) per annum to be divided into various components as per HR Policy of the Company.
- b) Commission: Ranging between 1%-5% of net profits of the Company for any financial year at the absolute discretion of the Nomination and Remuneration Committee/ the Board of Directors, depending upon the performance of the Company.
- c) Other Benefits: rent free accommodation and use of car and telephone at residence, medical reimbursement or such other facilities as may be allowed under the applicable laws for the time being in force.

- d) The effective date of payment of said remuneration is July 1, 2017, or such other date as may be approved or required by appropriate authority(ies).
- e) Other terms and conditions of his appointment shall continue to be the same as were approved by the Board of Directors while appointing him, more particularly stated in his appointment letter dated May 27, 2016.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the "Board") (which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution, including the Nomination and Remuneration Committee) be and is hereby authorized to revise, amend, alter and / or vary the terms and conditions in relation to the above remuneration in such manner as may be permitted in accordance with the provisions of the Act and / or to the extent as may be required, by the concerned authority, if any, while according their approval.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including making of an application to regulatory authorities, execution of necessary documents and to settle any questions, difficulties and / or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution."

**7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

**"RESOLVED THAT** in accordance with and subject to the provisions of Sections 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force), Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993; the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and in pursuance of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including the Regulations for Qualified Institutions Placement ("QIP"), i.e. Chapter VIII of the SEBI ICDR Regulations ("SEBI QIP Regulations"), and all other applicable Rules, Regulations, Notifications, Circulars, and Guidelines if any, of the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Stock Exchanges where the securities of the Company are listed (including provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and other concerned and relevant authorities, and other applicable laws, if any, in India and/or Overseas and the relevant provisions of the Memorandum and Articles

of Association of the Company; and subject to such approvals, consents, permissions, or sanctions of the Government of India ("GOI"), RBI, SEBI and any other Domestic/Overseas appropriate authorities, institutions or bodies as may be necessary and subject to such terms, conditions, stipulations, alterations, amendments, modifications or variations as may be prescribed by any of them in granting any such approvals, consents, permissions, or sanctions and which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of Directors for the time being authorised by the Board of Directors to exercise the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot on behalf of the Company, in one or more tranches (including with provision for reservation on firm and/or competitive basis) of public or private offerings in international / domestic markets, to Domestic/Foreign Investors/ Institutional Investors/ Foreign Institutional Investors, Qualified Institutional Buyers, Foreign Portfolio Investors, Members, Employees, Non-Resident Indians, Companies or Bodies Corporate whether incorporated in India or abroad, Trusts, Mutual Funds, Banks, Financial Institutions, Insurance Companies, Pension Funds, Gratuity Funds, Hedge Funds, or any other Funds Individuals (including Resident/Non-Resident Indians, Foreign Nationals), and other eligible and/or permitted Investors, bodies, persons or entities (hereinafter collectively referred to as "Investors") or otherwise, whether shareholders of the Company or not, through a Public Issue, Rights Issue, Private Placement, Preferential Issue, or any other form of permitted issue, with or without an over-allotment option or Green Shoe Option, in the equity shares and/ or equity shares through Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or any other Depository Receipts, and/or Foreign Currency Convertible Bonds ("FCCBs") and/or any securities convertible into equity shares at the option of the Company and/or holder(s) of the securities and/or securities linked to equity shares and/or securities with warrants carrying right to subscribe to equity shares, including any instruments or securities representing either equity shares and/or Foreign Currency Convertible Bonds or Convertible Securities or securities linked to equity shares or securities with equity shares which are convertible or exchangeable with equity shares at a later date, or are attached with any other instrument carrying an option to subscribe to equity shares of the Company; by way of QIP to Qualified Institutional Buyers ("QIBs") under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, or a combination of the foregoing (hereinafter collectively referred to as "Securities") whether secured or unsecured, and whether fully paid or partly paid at any point of time as may be permissible; up to an aggregate amount of USD 50 Million or equivalent amount thereof in Indian Rupees or any other

foreign currency (inclusive of such premium as may be determined) and such offer, issue and allotment to be made at such time or times, in such currency, at such price or prices, at discount or premium to market price (subject to applicable restrictions on minimum offering/conversion price for equity shares or securities of the Company), in such form and manner and on such other terms and conditions, as may be decided and deemed appropriate by the Board at the time of such offer, issue and allotment.

**RESOLVED FURTHER THAT** in case of allotment of Securities being made by way of QIP as per the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:

- (i) The issue of securities/equity shares is made at such price being not less than the price determined in accordance with the pricing formula of the aforementioned SEBI QIP Regulations.
- (ii) the number and/or conversion price in relation to equity shares that may be issued and allotted directly or on conversion of Securities that may be issued pursuant to this resolution including by way of a QIP in accordance with the SEBI QIP Regulations as mentioned above shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring;
- (iii) The securities/shares allotted shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized Stock Exchange, or except as may be permitted from time to time by the SEBI QIP Regulations or any other applicable laws;
- (iv) the total amount raised in such manner should not, together with the over-allotment option exceed five times the net worth of the Company as per the audited balance sheet of the previous financial year;
- (v) the relevant date for the determination of applicable price for the issue of the Securities means the date of the meeting in which the Board of the Company or a duly authorized Committee of Directors decides to open the proposed issue;
- (vi) the Company shall ensure that the Securities are fully paid up and that the issue of Securities is made within 12 (twelve) months from the approval of this resolution by the members of the Company, or such other time as may be allowed under the SEBI QIP Regulations from time to time, or by SEBI/Stock Exchanges(s) or any other appropriate Authorities.

**RESOLVED FURTHER THAT** the Company and/or any entity, agency or body authorised and/or appointed by

the Company, may issue global / American depository receipts representing the underlying Securities issued by the Company in negotiable, registered, or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the International/Domestic market.

**RESOLVED FURTHER THAT** the Company through its Board or any of its Committee and/or any agency or body authorised by the Company (through its Board/Committee), may issue receipts/certificates or other requisite documents representing the underlying Securities issued/to be issued by the Company with such features and attributes as are prevalent in Indian / International capital markets, for instruments of this nature and provide for the tradability or free transferability thereof as per laws, rules and regulations under the forms and practices prevalent in the Domestic / International Capital markets.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to create, issue and allot, from time to time, such number of Equity Shares/Securities at such price (including premium) that may be decided by the Board in its absolute discretion, as may be necessary in accordance with the terms of the offering of any of the aforesaid Securities, including additional Equity Shares or Securities, to retain oversubscription upto such percentage (as may be permitted by the appropriate authorities or under applicable statutes, rules, regulations and guidelines), all such equity Shares/Securities to rank pari-passu in all respects, with the then existing respective fully paid-up equity Shares/Securities or proportionately paid up equity Shares/Securities, as the case may be, of the Company, but shall be subject to such lock-in requirements as may be prescribed by appropriate authorities under applicable laws, if any.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of securities or instruments or equity shares or securities representing the same, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose, including but without limitation, determining the type, form and manner of the issue/securities, the class of eligible investors to whom the securities are to be offered, issued and allotted in each tranche, issue price, face value, premium amount on issue/conversion of Securities/exercise of warrants/redemption of securities, rate of interest, amount to be called on application, allotment, or on subsequent calls, conversion or redemption period, appointment of Managers, Lead Managers, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Consultants,

Depositories, Custodians, Registrars, Trustees, Bankers, and all other agencies or intermediaries, whether in India or abroad, and to remunerate them by way of commission, brokerage, fees or the like, entering into or execution of all such agreements/ arrangements / Memorandum of Understandings/ documents with any authorities/agencies, listing of the Shares / Securities (including the resultant Equity Shares to be issued as per the terms of issue of the said Securities) on any Indian and/or Foreign Stock Exchange(s), as the Board may in its absolute discretion deem fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Shares/ Securities as may be required, including issue and allotment of equity shares upon conversion of any securities referred to above or as may be necessary in accordance with the terms of the offer, all such equity shares ranking pari passu and inter-se with the then existing equity shares of the Company in all respects.

**RESOLVED FURTHER THAT** in the event of issue of Securities by way of FCCBs, GDRs and / or ADRs, and/or other Depository Receipts or in any form, in International market, the relevant date on the basis of which price of the resultant shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board decides to open the proposed issue of the relevant Securities.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle all questions, difficulties, doubts or problems that may arise in regard to the offer, issue, or allotment of Securities (including resultant equity shares) and utilisation of the issue proceeds, fully or partly, cancel the issue or amend any terms of it (subject to necessary statutory approvals) as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise, with the intent that the member shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** subject to the total aggregate limit of USD 50 Million or equivalent amount thereof in Indian Rupees or any other foreign currency (inclusive of such premium as may be determined) as stipulated in this resolution and pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or reenactments thereof for the time being in force (the "Act"), the Foreign Exchange Management Act, 1999, as amended, rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, Reserve Bank of India, Securities and Exchange Board of India, including the Securities Contracts (Regulation)

Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into with the stock exchanges (the "Stock Exchanges") where the securities of the Company are listed and subject to such approvals, consents, permissions and sanctions as might be required from any regulatory authority and subject to such conditions as may be prescribed by such regulatory authority while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company / any committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this resolution may accept, the consent of the members be and is hereby accorded to the Board to make offer(s) or invitation(s) to subscribe the Secured / Unsecured redeemable Non-Convertible Debentures in one or more series, denominated in Indian rupees or in any foreign currency including but not limited to subordinated debentures, bonds, and/or other debt securities, etc. ("NCD's")., on a private placement basis, in one or more tranches, during the period of one year from the date of passing of Special resolution

**RESOLVED FURTHER THAT** such of these Securities as are not subscribed, may be disposed off by the Board in its absolute discretion in such a manner, as the Board may deem fit and as permissible by law.

**RESOLVED FURTHER THAT** to give effect to the aforesaid resolution, the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or Managing Directors or any other Director(s) or other officer of the Company or to any intermediary or agent or advisor of the Company, or to such other person(s) as the Board may think fit and necessary at its absolute discretion."

**By Order of the Board  
For Mercator Limited**

**Suhas Pawar**  
Company Secretary

**Regd. Office:**  
3rd Floor, Mittal Tower,  
B-wing, Nariman Point,  
Mumbai - 400 021  
Dated: July 25, 2017

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF; AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE FORM OF PROXY FOR THE ANNUAL GENERAL MEETING IS ENCLOSED. PROXY IN ORDER TO BE VALID MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. A relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business to be transacted at the Meeting is annexed hereto.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
5. The Register of Members and Share Transfer Books will remain closed from Saturday, September 9, 2017 to Friday, September 15, 2017 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
6. The Dividend for the financial year ended March 31, 2017, as recommended by the Board, if approved by the members, will be paid /dispatched on or after September 20, 2017 to those members whose names appear in the Register of Members of the Company as at the close of business hours on Friday, September 8, 2017.
7. Pursuant to Section 124 of the Companies Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the amount of dividend which remains unclaimed for a period of seven (7) years is to be compulsorily transferred to the "Investor Education and Protection Fund (IEPF)", constituted by the Central Government.

Member(s) who have not yet encashed their dividend is / are requested, in their own interest, to immediately write to the Registrar & Share Transfer Agent of

the Company or to the Company, for claiming their outstanding unpaid / unclaimed dividend, if any for the Financial Year 2009-10 (which is due for transfer to IEPF in November, 2017) and subsequent years. The dividend for the aforesaid years shall be paid only on receipt of request and satisfactory compliance of the requisite procedure.

The details of unclaimed dividend lying with the Company as on July 30, 2016 (date of last Annual General Meeting) has been uploaded on Company's website [www.mercator.in](http://www.mercator.in) in accordance with the requirements of relevant Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 and the same has also been uploaded on Ministry of Corporate Affairs website [www.mca.gov.in](http://www.mca.gov.in)

Further, pursuant to the provisions of section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares on which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. However, Pursuant to the General Circulars issued by the Ministry of Corporate Affairs with respect to Section 124(6) of the Companies Act, 2013 read with Rules made thereunder in relation to transfer of Unclaimed shares to Investor Education and Protection Fund (IEPF), the matter is under due consideration. As such the Company will comply necessary directions / required formalities in this regard. Accordingly, the members will be intimated in this regard from time to time in prescribed manner.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

8. Members are requested to notify immediately any changes in their address to the Company/ Registrar & Share Transfer Agents. In case their shares are held in dematerialized form, the information should be passed on to their respective Depository Participants without any delay.
9. Members, who hold shares in de-materialized form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
10. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email IDs with their respective