MERCATOR
www.mercator.in

Ref: ML/SE/2019-20/65

October 10, 2019

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: Notice of Postal Ballot

Dear Sir,

In continuation of our letter no. ML/SE/2019-20/61 dated September 30, 2019 and pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Notice of Postal ballot along with relevant statement under Section 102 of Companies Act, 2013 and Postal Ballot Form for your information and records.

Please acknowledge the same.

Thanking You,

Yours faithfully,

For **Mercator Limited**

MERCATOR LIMITED MUMBAI

Rajendra Kothari
CFO & Compliance Officer

Encl: as above

Mercator Limited

Regd. Office: Mittal Tower, B- Wing, 83-87, 8th Floor, Nariman Point, Mumbai – 400021
CIN: L63090MH1983PLC031418
Tel: +912266373333, Fax: +912266373344
Website: www.mercator.in
E-mail: secretarial@mercator.in/investors@mercator.in

Postal Ballot Notice

(Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014).

Dear Member(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013, (the **"Companies Act"**), read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws and regulations, that Mercator Limited (the **"Company"**) is seeking consent of its Members through Postal Ballot/Electronic voting (e-voting), for matters as considered in the Resolutions appended below.

Accordingly, draft of the proposed Special Resolutions together with the Statement pursuant to Section 102 of the Companies Act, 2013, read with Section 110 of the Companies Act, 2013 in respect of the special business of the Notice is being sent to you along with a Postal Ballot Form for your consideration and voting. The Board of Directors has appointed Mr. Sunil Zore, Practicing Company Secretary, (COP Number 11837) as a Scrutinizer, for conducting the Postal Ballot/E-voting Process in a fair and transparent manner.

You are requested to carefully read the instructions herein and printed in the Postal Ballot Form and return the Form duly completed along with assent **(FOR)** or dissent **(AGAINST)**, in the attested self-addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before the closure of working hours, i.e. 5:00 p.m. on Sunday, November 10, 2019, to be eligible for being considered. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Procedure for Voting through electronic mode'. References to postal ballot(s) in this Postal Ballot Notice include votes received electronically.

The Scrutinizer will submit his Report to the Chairman after completion of the scrutiny of the Physical Postal Ballots received and the votes casted by electronic mode. The Chairman or any other Director or Chief Financial Officer or Company Secretary of the Company will declare the Results of the Postal Ballot on or before Tuesday, November 12, 2019, at 5:00 p.m. at the Company's Registered Office at 83-87, 8th Floor, Mittal Tower, B-Wing, Nariman Point, Mumbai – 400021. The Results will be displayed at the Registered Office of the Company, besides being communicated to the Stock Exchanges on which the Company's Equity Shares are listed. The Results along with Scrutinizer's Report will also be posted on the website of the Company, viz. www.mercator.in and CDSL's E-voting Website https://www.cdslindia.com for the information of the Member(s).

Special Business:

1. Sale of Ship FSO Prem Pride

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to

other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) / Executive Chairman/ CEO/ CFO, to sell / transfer / dispose off or in any other form more specifically mentioned in the explanatory statement, its Ship viz. FSO Prem Pride, for a consideration at not less than Rs.44 crore or such other consideration as may be agreed between the Board of Directors/ Executive Chairman/ CEO/ CFO and the said Buyer or in any other manner as the Board of Directors/ Executive Chairman/ CEO/ CFO may deem fit in the interest of the Company and on such other terms and conditions as they may be deem fit, subject to Lenders or such other prior approvals as may be required in this regard.

RESOLVED FURTHER THAT in the event that the proposed sale does not materialise, the Board of Directors/ Executive Chairman/ CEO/ CFO, be and hereby severally authorised to enter into negotiation with any other buyer and complete the sale or disposal of the Ship on such terms and conditions as the Board of Directors/ Executive Chairman/ CEO/ CFO may deem fit in the best interest of the Company.

RESOLVED FURTHER THAT the Board of Directors/ Executive Chairman/ CEO/ CFO be and are hereby severally authorised and empowered to finalise and execute necessary documents including but not limited to Memorandum of Agreement, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by them and to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

RESOLVED FURTHER THAT the Board of Directors/ Executive Chairman/ CEO/ CFO be and are hereby severally authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, arranging delivery and execution of contracts, deeds, agreements and instruments as may be necessary.

2. <u>Sale of Ship – Prem Mala</u>

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) / Executive Chairman/ CEO/ CFO, to sell / transfer / dispose off or in any other form more specifically mentioned in the explanatory statement, its Ship viz. Prem Mala, for a consideration at not less than Rs.32 crores or such other consideration as may be agreed between the Executive Chairman/ CEO/ CFO and the said Buyer or in any other manner as the Board of Directors/ Executive Chairman/ CEO/ CFO may deem fit in the interest of the Company and on such other terms and conditions as they may be deem fit, subject to Lenders or such other approvals as may be required in this regard.

RESOLVED FURTHER THAT in the event that the proposed sale does not materialise, the Board of Directors/ Executive Chairman/ CEO/ CFO, be and hereby authorised to enter into negotiation with any other buyer and complete the sale or disposal of the Ship on such terms and conditions as the Board of Directors/ Executive Chairman/ CEO/ CFO may deem fit in the best interest of the Company.

RESOLVED FURTHER THAT the Board of Directors/ Executive Chairman/ CEO/ CFO be and hereby severally authorised and empowered to finalise and execute necessary documents including but not limited to Memorandum of Agreement, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by them and to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

RESOLVED FURTHER THAT the Board of Directors/ Executive Chairman/ CEO/ CFO be and are hereby severally authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, arranging delivery and execution of contracts, deeds, agreements and instruments as may be necessary.

By Order of the Board of Directors

H K Mittal
Executive Chairman
DIN: 00007690

Dated: September 30, 2019

Registered Office:
83-87, 8th floor, Mittal Tower, B-Wing,
Nariman Point, Mumbai - 400 021

Notes:

a. The Statement pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, setting out the material facts in respect of the aforesaid item of business is annexed hereto.

b. All documents referred to in this notice and the explanatory statement pursuant to Section 102 of the Companies Act, 2013 shall be open for inspection by the members at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00p.m., up to the date of declaration of results of the Postal Ballot.

c. In the event the resolution is approved by requisite majority of Members, the Resolution shall deemed to have been on the last date specified as below for receipt of duly completed postal ballot forms or E-voting.

d. Members whose names appear on the Register of Members / List of Beneficial Owners as on September 27, 2019, will be considered for the purpose of voting. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Members as on September 27, 2019. A person who is not a member as on September 27, 2019 should treat this notice for information purposes only. The Postal Ballot Notice is being sent to Members who have registered their email IDs for receipt of documents in electronic form to their email addresses registered with their Depository Participants / the Company's Registrar and Transfer Agent. For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice along with Postal Ballot Form are being sent by permitted mode along with postage prepaid self-addressed Business Reply Envelope.

e. In terms of Sections 108 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the item of businesses given in the notice through electronic voting system, to shareholders through the e-voting platform provided by the Central Depository Services (India) Limited (CDSL). The members may cast their

votes on electronic voting system. The e-voting period will commence at 9.00 a.m. on Friday, October 11, 2019 and will end at 5.00 p.m. on Sunday, November 10, 2019. The e-voting will not be allowed beyond the aforesaid date and the time and the e-voting module shall be disabled upon expiry of aforesaid period. The Company has appointed Mr. Sunil Zore, Practicing Company Secretary, (COP No. 11837), to act as the Scrutinizer, for conducting the Postal Ballot Process in a fair and transparent manner. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

f. Kindly note that the Shareholders can opt only one mode of voting, i.e. either by Physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Postal Ballot also and vice versa. However, in case the Shareholders cast their vote by Physical Postal Ballot and e-voting, then voting done by e-voting shall prevail and voting done through valid Physical Ballot will be treated as invalid.

g. Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed Business Reply Envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered / speed post at the expense of the Shareholders will also be accepted.

h. For any grievances / queries connected with the voting by postal ballot including voting by electronic means, shareholders may contact the undersigned at secretarial@mercator.in or write to him at the registered office of the Company or may contact Mr. Rakesh Dalvi, Deputy Manager, CDSL, at helpdesk.evoting@cdslindia.com or Phone No.:18002005533.

i. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny of the Postal Ballot Forms received in physical mode and the votes casted through electronic mode. The Scrutinizer's decision on the validity of the Postal Ballot shall be final and binding on all concerned.

j. The results of the Postal Ballot will be placed at the website of the Company at www.mercator.in for information of Members besides being communicated to all the Stock Exchanges on which the shares of the Company are listed.

Procedure for voting through electronic mode:

k. The Company has entered into an arrangement with the Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the Shareholders to cast their votes electronically instead of physical mode. The instructions for e-voting are as under:

Members are requested to follow the instructions for e-voting as under:

1. The voting period begins on Friday, October 11, 2019 at 9:00 a.m. and ends on Sunday, November 10, 2019 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 27, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The shareholders should log on to the e-voting website www.evotingindia.com.
3. Click on "Shareholders" tab to cast your vote.
4. Now Enter your User ID
    a. For CDSL: 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

7. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Date of Birth (DOB)	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If details are not recorded with depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

8. After entering these details appropriately, click on "SUBMIT" tab.

9. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

11. Click on the EVSN for the relevant <MERCATOR LIMITED> on which you choose to vote.

12. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

14. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

16. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

17. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

18. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

19. Note for Non – Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
    - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

20. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

21. Members who have acquired shares after the dispatch of the Notice may obtain the user ID and Password by sending a request at www.evotingindia.com or secretarial@mercator.in. However, if you are already registered with CDSL for e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details / Password" option available on www.evotingindia.com.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1: Sale of Ship – FSO Prem Pride

The Company owns a 1999 built Floating Storage and Offloading Unit (FSO) Ship viz Prem Pride which is under a production sharing contract with Oil & Natural Gas Corporation Ltd ("ONGC"), Reliance Industries Ltd ("RIL") and BG Exploration & Production India Limited ("BG") for carrying out certain petroleum operations at Panna and Mukta and Mid and South Tapti fields, being valid up to December, 2019. The crude oil produced by the Panna Production Platform is pumped directly with the help of pumps and through subsea pipeline into tanker Prem Pride. WDV in the books of accounts as on August 31, 2019 is approx. Rs 155 Crore. The current contract expires in December 2019.

On July 23, 2019, ONGC had invited Expression of Interest (EOI) from all the interested members having the requisite qualifications for awarding the next FSO contract. The pre-requisites of awarding the contract will be on the basis of technical and financial qualifications required for undertaking FSO operations. The Company participated and submitted its EOI, as it was time bound, non-binding and subjective to finalization of commercial terms.

Although the Company is technically qualified to undertake and perform the FSO operations, the Company is unable to obtain the financial line of credit from its existing lenders to undertake the ONGC FSO contract. Secondly, the Ship is more than 20 years old and due for Dry Dock in January 2020, the capital expenditure of which is expected to be in the range of around Rs.28 crore to Rs.35 crore. Under the IMO conventions, each ship is required to be drydocked at least twice in intervals not exceeding 60 months. These guidelines have been ratified by various flag states including India and incorporated into national legislation and unconditionally binding on all the ships. Therefore, the requirement to dry-dock ships is statutory in nature and it is not possible to trade till such time dry-docks are carried out in a timely manner.

Given the expiration of current contract, old age of the Ship along with the inability to get financial support for the new contract and huge Dry Dock cash outflow, the Company has been exploring to sell the Ship FSO Prem Pride in most suitable manner viz: 1) Formation of Joint Venture/ Subsidiary/ Associate with a Company having the required financial capability to undertake FSO contracts or 2) Outright sale basis. In either of the options, the sale shall be concluded at arm's length basis and in compliance with the provisions of Companies Act, 2013 including applicable rules and regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 herewith referred to as (LODR), as may be amended from time to time. The Company has in the meanwhile approached its lenders for providing a clearance for the sale of Ship and the approval is under way. The proceeds realized in both the aforementioned structures shall be solely utilized for repayment of outstanding debt due to the lender(s) of the Company.The sale consideration expected out of this ship shall be not less than Rs 44 crore. This sale however would be subject to the approval of lenders and such other approvals as may be required in this regard.Members are requested to note that all the aforesaid figures have been calculated as on a particular date which is subjected to change at the time of execution of sale of Ship.

Sale of the FSO Prem Pride would fall under the purview of Section 180 (1) of the Companies Act, 2013 ("the Act"). The Company would continue to be in Shipping and Dredging business and hold its investments in

Oil and Coal businesses through its subsidiaries. In terms of the provisions of Section 180 of the Companies Act, 2013, the powers of the Board to sell or dispose off whole or substantially whole of an undertaking of the Company can be exercised only with the approval of the members of the Company by way of special resolution. As per explanation (i) to Section 180 (1) (a) the meaning of an Undertaking for the purposes of Section 180 is an undertaking in which investment of a company exceeds 20% of its net worth as per the last audited balance sheet of the Company or which generates at least 20 per cent of its total revenues during the previous financial year. Accordingly, pursuant to Section 180 (1) of the Companies Act, 2013, approval of members by way of Special Resolution is being sought for giving power to the Board of Directors, to sell, transfer or otherwise dispose off the Ship Prem Pride as detailed above, on the terms and conditions as it may deem fit subject to the approval of the Lenders, members or such other approvals as may be required in this regard.

We summarize as below the rationale for the sale of FSO Prem Pride

- **Sale enables to reduce the Debt in full on the subject vessel**
- **Expiry of the current contract in December 2019**
- **Large capital expenditure of Rs 28-35 Crore required for Dry Dock of the Ship which is due in January 2020**
- **Old age of the Ship and being a specialized Ship, there is a very limited market for such old Ships**
- **Delay in sale is likely to result in deterioration in value of the Ship**

Give the above reasons, the Board considers that the sale of the said Ship FSO Prem Pride would be in the interest of the Company and therefore the Board commends passing of the resolution as set out in Item No. 1 of the accompanying Notice and request the members to authorize and grant powers to the Board of Directors/ Executive Chairman/ CEO/ CFO to peruse the terms and conditions of the proposal and to sell the said Ship subject to the approval of the Lenders, members or such other approvals as may be required in this regard. The Company will continue to carry on the Shipping and Dredging business and may also consider capex light expansion at an opportune time subject to the market conditions and commercial viability.

Item No. 2: Sale of Ship – Prem Mala

The Ship - M.T. Prem Mala is a Japanese built medium range oil tanker, make year 2000. She has a carrying capacity of 50,336.1 cubic meters of Oil and was acquired by the Company in the year 2005 whose WDV in the books of accounts as on August 31, 2019 is Rs. 57 Crore.

The Ship is presently time chartered to M/s Indian Oil Corporation Limited till January 28, 2020 and is operating on the East & West coast of India. The last dry-dock of the Ship was completed in December 2017 and is due for next Dry Dock in February 2020 which is expected to cost in the range of around Rs. 14 crore to Rs. 17.50 crore. Under the IMO conventions, each ship is required to be drydocked at least twice in intervals not exceeding 60 months. These guidelines have been ratified by various flag states including India and incorporated into national legislation and thus are binding. Therefore, the requirement to dry-dock ships is statutory in nature and it is not possible to trade till such time dry-docks are carried out in a timely manner.

However, the Company has not been able to obtain the financial line of credit from its existing lenders to undertake the due Dry Dock. In view of the old age of the Ship and huge capital expenditure in the upcoming Dry Dock and other aforesaid reasons, the Company is contemplating to sell the Ship – Prem Mala. The sale is expected to be completed at a price not less than Rs 32 Crore or at market price subject to the approval of lenders and such other approvals as may be required in this regard. The Company has in the meanwhile approached its lenders for providing a clearance for the sale of Ship and the approval is under way. The proceeds realized out of the sale of this Ship shall be solely utilized for repayment of outstanding debts in part due to the lenders of the Company

Members are requested to note that all the aforesaid figures have been calculated as on a particular date which is subjected to change at the time of execution of sale of Ship.

Sale of the Ship Prem Mala would fall under the purview of Section 180 (1) of the Companies Act, 2013 ("the Act"). The Company would continue to be in Shipping and Dredging business and hold its investments in Oil and Coal businesses through its subsidiaries. In terms of the provisions of Section 180 of the Companies Act, 2013 , the powers of the Board to sell or dispose off whole or substantially whole of an undertaking of the

Company can be exercised only with the approval of the members of the Company by way of special resolution. As per explanation (i) to Section 180 (1) (a) the meaning of an Undertaking for the purposes of Section 180 is an undertaking in which investment of a company exceeds 20% of its net worth as per the last audited balance sheet of the Company or which generates at least 20 per cent of its total revenues during the previous financial year.. Accordingly, pursuant to Section 180 (1) of the Companies Act, 2013, approval of members by way of Special Resolution is being sought for giving power to the Board of Directors, to sell, transfer or otherwise dispose off the Ship Prem Mala as detailed above, on the terms and conditions as it may deem fit subject to the approval of the Lenders, members or such other approvals as may be required in this regard.

We summarize as below the rationale for the sale of Prem Mala

- **Sale enables to reduction of Debt by INR 32 crores**
- **Old age of the Ship with growing demand for young Ships**
- **Large capital expenditure of Rs 14 – 17.50 Crore required for Dry Dock of the Ship which is due in February 2020 Delay in sale is likely to result in deterioration in value of the Ship**

Considering the above factors, The Board considers that the sale of the said Ship Prem Mala would be in the interest of the Company and therefore, the Board commends passing of the resolution as set out in Item No. 2 of the accompanying Notice and request the members to authorize and grant powers to the Board of Directors/ Executive Chairman/ CEO/ CFO to peruse the terms and conditions of the proposal and to sell the said Ship subject to the approval of the Lenders, members or such other approvals as may be required in this regard. The Company will continue to carry on the Shipping and Dredging business and may capex light expansion at an opportune time subject to the market conditions and commercial viability.

The Board of Directors recommends the passing of both these Resolutions by Special resolutions subject to the approval of the Lenders, members or such other approvals as may be required in this regard. None of the Directors / key managerial persons of the Company or their relatives are interested, financially or otherwise, in the aforesaid resolutions.

By Order of the Board of Directors

H K Mittal
Executive Chairman
DIN: 00007690

Dated: September 30, 2019

Registered Office:

83-87, 8th floor, Mittal Tower, B-Wing,
Nariman Point, Mumbai - 400 021

MERCATOR LIMITED
CIN: L63090MH1983PLC031418
Registered Office: 83-87, 8th Floor, Mittal Tower, B-Wing, Nariman Point, Mumbai - 400021
Tel: +912266373333, **Fax:** +912266373344
website: www.mercator.in; **e-mail:** investors@mercator.in/secretarial@mercator.in

POSTAL BALLOT FORM

1. Name and registered address of the sole / first named member (in block letters) :

2. Name(s) of the joint Member(s), if any (in block letters) :

3. Registered Folio number / DPID No. / Client ID No.* :

4. Number of shares held :

(* Applicable to investors holding shares in dematerialized form)

I / We hereby exercise my / our vote in respect of the Ordinary/Special Resolution to be passed through Postal Ballot for the businesses stated in the Notice of the Company by conveying my / our assent or dissent to the said Resolution by placing the tick mark (√) at the appropriate box below:-

Item No.	Description	No. of Shares	(For)	(Against)
			I / we assent to the resolution	I / we dissent to the resolution
1.	To approve Sale of Ship FSO Prem Pride			
2.	To approve Sale of Ship Prem Mala			

Place: Mumbai

Date: September 30, 2019

_____
(Signature of Member)

Note : Please read the instructions printed overleaf carefully before exercising your vote.

ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	User ID	Password
191001008		

Instructions

1. A Member desiring to exercise vote by Postal Ballot shall complete this Postal Ballot Form in all respects and send it to the Scrutinizer in the attached self-addressed Business Reply Envelope. However, envelope containing Postal Ballot Form, if sent by courier / any other mode at the expenses of the Member will also be accepted. The company also offers remote e-voting facility by electronic mode.
2. A Member can opt only one mode of voting i.e. either through e-Voting or by Ballot. If a Member casts vote by both modes, then voting done through E-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Notice of Postal Ballot.
4. The self-addressed envelope bears the address of the scrutinizer. Members are requested not to send any other paper/s along with the Postal Ballot Form in the enclosed self-addressed Business Reply Envelope, as all such envelopes will be sent to the scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
5. This Ballot Form should be completed and signed by the member. In case of joint holding, the Form should be completed and signed by the first named Member and in his absence by the next named Member. The signature of the member(s) on this Postal Ballot Form should be as per the specimen signature registered with the company or furnished by the National Security Depository Limited/Central Depository Services (India) Limited, in respect of shares held in the physical form or dematerialized form, respectively.
6. In case of shares held by the Institutional Shareholders i.e. other than individuals, HUF, NRI etc. the duly completed Postal Form should be accompanied by certified copy of the Board Resolution / Authority Letter together with attested specimen signature(s) of duly authorized signatory(ies). Postal Ballot Form signed by the holder of Power of Attorney for and on behalf of a Shareholder of the Company must be accompanied by the copy of Power of Attorney duly certified by the Magistrate, Notary Public or Special Executive Officer or a similar authority holding a Public Office Authorized to use the Seal of his Office. If the Power of Attorney is already registered with the company or R & T Agents, please quote the registration number beneath the signature.
7. Tick(√) marks should be placed in the relevant box signifying assent/dissent for the resolution, as the case may be, before mailing the Postal Ballot Form. Members are entitled to vote For/Against Resolution covering total Number of Shares held by them.
8. There will be only one Postal Ballot Form for every Folio / Client ID irrespective of the number of Joint Member(s). Members are entitled to cast their voted differently i.e. all the votes either in favour or against or partly in favour or against.
9. Duly completed Postal Ballot Form should reach the scrutinizer not later than close of working hours i.e. 5.00 p.m. of November 10, 2019. Postal Ballot Form received after this date will be strictly treated as if the reply from the Members has not been received.
10. A Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the time and date specified at item no. 9 above.
11. Votes will be considered invalid inter alia, on the following grounds:
    a) If the Member's signature does not tally.
    b) If the Member's has marked all his shares both in favour and also against the Resolution.
    c) If neither assent nor dissent is mentioned.
    d) If the Postal Ballot Form is unsigned.
    e) If the Postal Ballot Form is received in torn or defaced or mutilated condition to an extent that it is difficult for the Scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or on one or more such grounds.
    f) If the Postal Ballot Form is received in such a state that it is incomplete, or incorrect, or otherwise it is not possible to assess the Member's intention to vote.
    g) Member has made any amendment to the Resolution or imposed any condition while exercising his vote.
12. The result of the Postal Ballot will be announced on or before Tuesday, November 12, 2019 at 5 p.m. at the Registered office of the Company at 83-87, 8th Floor, Mittal Tower, B-Wing, Nariman Point, Mumbai - 400 021 and will also be informed to BSE and NSE, and posted on the Company's website www.mercator.in and on website of CDSL i.e. https:// www.evotingindia.com.
13. The Scrutinizer's decision on the validity of the Postal Ballot will be final.