MERCATOR LINES

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17th September, 2010

To,
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra - Kurla Complex,
Bandra (E) Mumbai-400 051.

RE: Company Code: MLL-EQ

Dear Sir,

We submit herewith copy of Minutes of Annual General Meeting of the Company held on 7th September, 2010; for your information and record purpose, receipt of which may please be acknowledged.

Thanking you,

Yours faithfully,
For **Mercator Lines Limited**

Suchita Shirambekar
Company Secretary

HELD AT ... IN ... PAGE ...

MINUTES OF THE 26TH ANNUAL GENERAL MEETING OF THE MEMBERS OF MERCATOR LINES LIMITED HELD AT C. K. NAYUDU HALL, THE BRABOURNE STADIUM, CHURCHGATE, MUMBAI-400020, ON TUESDAY THE 7TH SEPTEMBER 2010, AT 3.30 P.M.

Present:

1.	Mr. H. K. Mittal	-Executive Chairman & Member
2.	Mr. A. J. Agarwal	-Managing Director & Member
3.	Mr. Manohar Bidaye	-Director & Member
4.	Mr. Anil Khanna	-Director/Chairman of Audit Committee & Member
5.	Mr. M. G. Ramkrishna	-Director & Member
6.	Mr. K. R. Bharat	-Director
7.	Mr. Kapil Garg	-Director
8.	Mr. H. Kishnadwala	-Statutory Auditors
9.	Ms. Suchita Shirambekar	-Company Secretary

Also present:

Mr. V. S. Mani	-Chief Financial Officer
Mr. Deepak Dalvi	-Senior Manager - Secretarial

In addition to above:

112 Members in person;
3 Members through representation; and
25 Members through proxy.

CHAIRMAN:

Mr. H. K. Mittal, Chairman of the Board, presided over the meeting.

GENERAL:

Mr. A. J. Agarwal, Managing Director, welcomed the members and introduced the Board of Directors to the members present at the meeting. He then requested the Chairman to commence the proceedings.

Mr. H. K. Mittal then announced that 37 proxies for 9,38,46,468 shares and 2 Representations for 1,00,68,628 shares were received and that the Register of Directors' shareholdings was open for inspection.

NOTICE:

With the permission of the Members, notice together with explanatory statement attached thereto convening the 26th Annual General Meeting and Audited Annual Accounts, Standalone as well as consolidated, along with Directors' Report were taken as read.

AUDITORS' REPORT:

Mr. Deepak Dalvi, Senior Manager - Secretarial read the Auditors' Report.

CHAIRMAN'S SPEECH:

Mr. H. K. Mittal, Chairman of the Company, thereafter delivered his speech reviewing in brief the achievements of the Company during the year ended on 31st March, 2010 and prospects for the current year ending on 31st March, 2011.

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ORDINARY BUSINESS:

ADOPTION OF ACCOUNTS:

The Chairman then took-up the first item on the agenda and proposed following resolution as an ordinary resolution:

"**RESOLVED THAT** the Audited Balance Sheet as at 31st March 2010 and the Audited Profit and Loss Account for the year ended on that date, together with the schedules to and notes thereon and the Reports of the Board of Directors and Auditors thereon; standalone as well as consolidated; be and are hereby approved and adopted".

Managing Director, Mr. A. J. Agarwal presented performance of the Company through slides show.

The Chairman then invited queries on the annual accounts from the members. Some members raised queries, which were replied by Mr. A. J. Agarwal, the Managing Director; and Mr. Anil Khanna, Chairman of the Audit Committee.

The resolution was then seconded by Mr. Zahur Maniar and carried unanimously after being put to vote by show of hands.

DECLARATION OF DIVIDEND ON EQUITY SHARE CAPITAL:

The Chairman then took-up next item on the agenda and proposed following resolution as ordinary resolution:

"**RESOLVED THAT** pursuant to recommendation of the Board of Directors, dividend at the rate of Rs. 0.20 per equity share of Re. 1/- each i.e. 20% for the financial year 2009-10 on 23,59,92,073 Equity Shares of Re. 1/- each of the Company for the year ended 31st March 2010 be and is hereby declared."

The resolution was seconded by Mr. R. V. Chari and carried unanimously after being put to vote by show of hands.

APPOINTMENT OF DIRECTOR RETIRING BY ROTATION:

The Chairman then took-up the next item on the agenda and proposed following resolution as an ordinary resolution:

"**RESOLVED THAT** Mr. Manohar Bidaye, a Director of the Company, who retires by rotation and being eligible offers himself for reappointment, be and is hereby reappointed as Director of the Company liable to retire by rotation."

The resolution was seconded by Mr. Joseph Martins and carried unanimously after being put to vote by show of hands.

APPOINTMENT OF AUDITORS:

The Chairman then took up the next item on the agenda and proposed following resolution as an ordinary resolution:

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"**RESOLVED THAT** retiring auditors M/s Contractor, Nayak & Kishnadwala, Chartered Accountants (Firm Registration No. 101961W), be and are hereby reappointed as Auditors of the Company to hold the office until the conclusion of next Annual General Meeting, on a remuneration to be determined by the Board of Directors and/or its committee in consultation with them."

The resolution was seconded by Mr. Ronald Fernandes and carried unanimously after being put to vote by show of hands.

SPECIAL BUSINESS:

APPOINTMENT OF MR. KAPIL GARG AS DIRECTOR:

The Chairman then took-up the next item on the agenda and proposed following resolution as an ordinary resolution:

"**RESOLVED THAT** Mr. Kapil Garg, who was appointed as an Additional Director of the Company on January 30, 2010 by the Board of Directors and who holds the office up to the date of this Annual general Meeting under Section 260 of the Companies Act, 1956; and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956, from a member of the Company proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

The resolution was seconded by Mr. Joseph Almeida and carried unanimously after being put to vote by show of hands.

RE-APPOINTMENT OF MR. H.K. MITTAL, AS "EXECUTIVE CHAIRMAN" OF THE COMPANY:

As the next item of the Notice pertains to re-appointment of Mr. H. K. Mittal as Executive Chairman of the Company, Mr. Manohar Bidaye, Director took-up the next item on the agenda and proposed following resolution as special resolution:

"**RESOLVED THAT** in partial modification of the special resolution passed at the Annual General Meeting of the members of the Company held on September 26, 2007 as proposed at item no. 7 of the notice of the said meeting, and pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto (including any modification or re-enactment thereof for the time being in force), and pursuant to the approval granted by the Remuneration Committee and the Board of Directors of the Company at their respective meetings held on May 25, 2010; and subject to such other approval(s) as may be required, consent of the members of the Company be and is hereby accorded for revision of / modification to the terms and conditions of appointment and remuneration of Mr. H. K. Mittal as the Managing Director of the Company, designated as "Executive Chairman", made for a period of 5 (Five) years commencing from August 1, 2007 up to July 31, 2012 as under:

(i) The tenure (duration) of his appointment be reduced from 5 (Five) years period to 3 (Three) years period, i.e. up to July 31, 2010;

(ii) His remuneration for the period from April 1, 2009 to July 31, 2010, (including of all perquisites, benefits and amenities), is restricted to Rs. 4,00,000/- (Rupees Four Lacs Only) per month, which be considered as the minimum remuneration paid to him pursuant to the provisions of and ceiling limits prescribed under Part II of Section II of Schedule XIII to the Companies Act, 1956;

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RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr. H. K. Mittal as the Managing Director of the Company, designated as "Executive Chairman" as was approved by the members at their Annual General Meeting held on September 26, 2007 as aforesaid shall remain unchanged.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto (including any statutory modification or re-enactment thereof for the time being in force), and pursuant to the approval granted by the Remuneration Committee and the Board of Directors of the Company at their respective meetings held on May 25, 2010; and subject to approval(s) from appropriate authorities required (if any), approval of the members of the Company be and is hereby accorded to the re-appointment of and the terms and conditions, including the terms of remuneration of Mr. H. K. Mittal as the Managing Director of the Company, designated as "Executive Chairman", for a period of three years from August 1, 2010; up to July 31, 2013, on the terms and conditions including the terms of remuneration as set out in the draft agreement, a copy of which is now placed before this meeting and initialled by the Managing Director Mr. Atul Agarwal for the purpose of identification, and in particular, on the remuneration and perquisites, benefits and amenities, as mentioned below:

a) Basic Salary	Rs. 4,00,000/- p.m. in the grade of Rs.4,00,000/- to Rs.10,00,000/- per month. There may be one or more increment(s) in a year, which will be granted on merits, at the absolute discretion of the Remuneration Committee/Board of Directors, depending upon the performance of the Company and the Executive Chairman.
b) Commission	As a percentage of Net Profits of the Company for any financial year, calculated pursuant to the provisions of the Companies Act 1956, subject to over all ceiling of 5% of the net profit on a single managerial personnel or such other higher ceiling as may be prescribed under the Act from time to time.
c) Housing	Unfurnished accommodation, the expenditure on which to the company shall not exceed 60% of the basic salary OR allowance in lieu thereof @ 60% of the basic salary.
d) Others	Use of car and telephone at residence, medical reimbursement, personal accident insurance, leave and leave travel concession, club fees, education benefits, provident fund, superannuation fund, gratuity (to the extent they are exempt under the Income Tax Act) and Housing Loan, in accordance with the scheme(s) and rule(s) of the Company framed/made from time to time for the Executive Directors/Senior Executives of the Company, or any modification(s) thereto.
Minimum Remuneration	In case of absence or inadequacy of profit in any financial year; the above remuneration, except commission, shall be paid as minimum remuneration, subject however to the applicable ceiling prescribed under the Companies Act, 1956 and Schedule XIII thereto.

RESOLVED FURTHER THAT Board of Directors/ Remuneration committee of Directors be and is hereby authorized to alter/amend/revise the terms & conditions of re-appointment of Mr. H. K. Mittal as the Executive Chairman, with mutual consent, subject to and in accordance with the applicable provisions of the Companies Act, 1956 and Schedule XIII thereto, and approval of the Central Government and other appropriate authorities (if required), may be obtained for the same, or for payment of the above remuneration as minimum remuneration to Mr. H. K. Mittal, without further reference to the shareholders.

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RESOLVED FURTHER THAT the Board of Directors/Remuneration Committee of Directors be and are hereby severally authorized to take all necessary steps to implement this resolution and to authorize doing of all such acts, deeds, matters and things by any one Director/Executive/Officer/representative of the Company."

The resolution was seconded by Mr. Beruz and carried unanimously after being put to vote by show of hands.

RE-APPOINTMENT OF MR. A. J. AGARWAL, AS THE MANAGING DIRECTOR OF THE COMPANY:

As the next item of the Notice pertains to re-appointment of Mr. A. J. Agarwal as Managing Director of the Company, Mr. Manohar Bidaye, Director took-up the next item on the agenda and proposed following resolution as special resolution:

"RESOLVED THAT in partial modification of the special resolution passed at the Annual General Meeting of the members of the Company held on September 26, 2007 as proposed at item no. 8 of the notice of the said meeting, and pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto (including any statutory modification or re-enactment thereof for the time being in force), and pursuant to the approval granted by the Remuneration Committee and the Board of Directors of the Company at their respective meetings held on May 25, 2010; and subject to such other approval(s) as may be required, consent of the members of the Company be and is hereby accorded for revision of / modification to the terms and conditions of appointment and remuneration of Mr. Atul J. Agarwal as the Managing Director of the Company, made for a period of 5 (Five) years commencing from August 1, 2007, i.e. up to July 31, 2012 as under:

(i) The tenure (duration) of his appointment be reduced from 5 (Five) years period to 3 (Three) years period, i.e. up to July 31, 2010;

(ii) His remuneration from April 1, 2009 to July 31, 2010, (including of all perquisites, benefits and amenities), is restricted to Rs. 4,00,000/- (Rupees Four Lacs Only) per month, which be considered as the minimum remuneration paid to him pursuant to the provisions of and ceiling limits prescribed under Part II of Section II of Schedule XIII to the Companies Act, 1956;

RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr. Atul J. Agarwal as the Managing Director of the Company, as was approved by the members at their Annual General Meeting held on September 26, 2007 as mentioned aforesaid shall remain unchanged

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269,309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto (including any modification or re-enactment thereof for the time being in force), and pursuant to the approval granted by the Remuneration Committee and the Board of Directors of the Company at their respective meetings held on May 25, 2010; and subject to approval(s) from appropriate authorities required (if any), approval of the members of the Company be and is hereby accorded to the re-appointment of and the terms and conditions including the terms of remuneration of Mr. Atul J. Agarwal as Managing Director of the Company, for a period of three years from August 1, 2010 up to July 31, 2013, on the terms and conditions including the terms of remuneration as set out in the draft agreement, a copy of which is now placed before this meeting and initialled by the Executive Chairman Mr. H. K. Mittal for the purpose of identification, and in particular, on the remuneration and perquisites, benefits and amenities, as mentioned below:

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CHAIRMAN'S INITIALS

a) Basic Salary	Rs.4,00,000/- p.m. in the grade of Rs.4,00,000/- to Rs.10,00,000/- per month. There may be one or more increment(s) in a year, which will be granted on merits, at the absolute discretion of the Remuneration Committee/Board of Directors, depending upon the performance of the Company and the Managing Director.
b) Commission	As a percentage of Net Profits of the Company for any financial year, calculated pursuant to the provisions of the Companies Act 1956, subject to over all ceiling of 5% of the net profit on a single managerial personnel or such other higher ceiling as may be prescribed under the Act from time to time.
c) Housing	Unfurnished accommodation, the expenditure on which to the company shall not exceed 60% of the basic salary OR allowance in lieu thereof @ 60% of the basic salary.
d) Others	Use of car and telephone at residence, medical reimbursement, personal accident insurance, leave and leave travel concession, club fees, education benefits, provident fund, superannuation fund, gratuity (to the extent they are exempt under the Income Tax Act) and Housing Loan, in accordance with the scheme(s) and rule(s) of the Company framed/made from time to time for the Executive Directors/Senior Executives of the Company, or any modification(s) thereto.
Minimum Remuneration	In case of absence or inadequacy of profit in any financial year; the above remuneration except commission shall be paid as minimum remuneration, subject however to the applicable ceiling prescribed under the Companies Act, 1956 and Schedule XIII thereto.

RESOLVED FURTHER THAT Board of Directors/ Remuneration committee of Directors be and is hereby authorized to alter/amend/revise the terms & conditions of re-appointment of Mr. Atul J. Agarwal as Managing Director, with mutual consent, subject to and in accordance with the applicable provisions of the Companies Act, 1956 and Schedule XIII thereto, and approval of the Central Government and other appropriate authorities (if required), may be obtained for the same, or for payment of the above remuneration as minimum remuneration to Mr. Atul J. Agarwal, without further reference to the shareholders.

RESOLVED FURTHER THAT the Board of Directors/Remuneration Committee of Directors be and are hereby severally authorized to take all necessary steps to implement this resolution and to authorize doing of all such acts, deeds, matters and things by any one Director/Executive/Officer/representative of the Company."

The resolution was seconded by Mr. Aloysius Mascarenhas and carried unanimously after being put to vote by show of hands.

VOTE OF THANKS:

Mr. Atul J. Agarwal, Managing Director then proposed vote of thanks to the Chairman, the Board of Directors and members present at the meeting.

The meeting then terminated.

H. K. Mittal
EXECUTIVE CHAIRMAN

Dated : 16th September, 2010

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