MERCATOR LINES
L I M I T E D

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22nd September, 2011

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

RE: Company Code: 526235

SUB: Outcome of Annual General Meeting

Dear Sir,

This is to inform you that the members of the Company in their 27th Annual General Meeting held today; have approved following unanimously.

1. Adoption of the Audited Balance Sheet as at 31st March 2011, the Audited Profit and Loss Account for the year ended on that date, together with the Reports of the Board of Directors and Auditors thereon, standalone as well as consolidated.

2. Re-appointment of Mr. K. R. Bharat as Director of the Company.

3. Retirement of Mr. Anil Khanna by rotation and not to fill the resultant vacancy.

4. Re-appointment of M/s. Contractor, Nayak & Kishnadwala as Auditors of the Company.

5. Appointment of Mr. M. M. Agrawal as Director of the Company.

6. Issue of securities (in equity and/or in any other form) in India and/or in abroad; up to US $ 50 million.

7. Change in name of the Company from "Mercator Lines Limited" to "Mercator Limited".

We also enclose herewith 6 copies of the Chairman's Speech delivered at the said Annual General Meeting.

Please acknowledge and take the same on record.

Thanking you,

Yours faithfully,
For **Mercator Lines Limited**

Suchita Shirambekar
Company Secretary
& Compliance Officer

MERCATOR LINES
LIMITED

Chairman's Speech

Dear Members and my colleagues on the Board, I extend a warm welcome to all at this 27th Annual General Meeting of your Company. I am privileged to welcome our new colleague Mr. M. M. Agrawal.

The annual report containing the Audited Accounts, the Directors' Report and the Auditors' Report thereon has already been circulated to you and with your permission, I take them as read. Now let me run through the business prospects of our various segments.

As is known to all, due to the economic turmoil world over as also a mismatch in demand and supply, shipping sector is finding it difficult to reap margins we had in mid 2000s. Yet your company is determined to maximize its operational efficiencies to maintain the economic viability of its assets with long term contracts. In the Dry Bulk market signs of growth have started to reflect in the rising Baltic Dry Index, but we feel the current low levels in Tanker freight market shall take some more time to recover.

Mercator with its new verticals in Coal, Offshore and Dredging will have much stronger fundamentals in coming times and you will be proud to be a stakeholder of our growth story as you have been in yester years. With this vision, your company has set high and realistic goals of achieving growth in these segments. With decades of experience in providing shipping solutions to our global clientele, we shall endeavor to utilize this expertise in strengthening these new segments. Even though we shall continue to invest in new shipping assets, revenue contribution from this division in the company's total turnover shall continue to decline and shipping division will be a support service for other business verticals.

Dear Members, you may be aware that our "Floating Production Unit" is operational since 30th April 2011.This project has been engineered, procured, constructed, installed and commissioned by Mercator in a record timeframe of 432 days with round the clock working across the world. This project promises steady cash flows during its lifetime of 9 years. Mercator now plans to leverage this expertise and is actively seeking more projects in this domain. Besides, we soon expect to complete the works related to seismic surveys at the Cambay oil blocks which your company won in NELP VII.

In Dredging segment, we continue to grow and have current order book in hand of about Rs 300 crores. There has been strong impetus from Union Shipping Ministry in developing the national marine infrastructure. Lately, influx of Rs. 22,000cr has been approved for setting up 9 new major ports across the country. As we meet this growing demand, our revenues and profitability will improve in years to come. We have long term contracts with some of the major ports of India

like Paradip and New Mangalore. I am delighted to state that your Company has added a Cutter Suction Dredger in our dredging fleet and all our assets are fully engaged till next year.

In India, there was more than 10,000 MW of capacity addition of coal based thermal power plants in FY 2010-11 and this will further grow exponentially to meet the Twelfth Plan capacity addition target of more than 76,000MW from coal and lignite by 2017. The result will be multifold increase of thermal coal demand in India leading to increased coal imports. Mercator is steadily gearing up to be a large player in this market to reap advantage of this business opportunity. We have scaled up our performance with sales of about 5 MnT coal in FY 2011. With a view to further expand and strengthen our presence in Indonesia, we have acquired another coal mine with sizeable reserves in East Kalimantan. This mine is expected to start production in the current financial year itself. We have already increased our customer base in China, Thailand and Pakistan. Our Q1 results of FY 2012 demonstrate the increasing strength of your company in this segment.

It gives me pleasure to share with you that our efforts of entering into new businesses has enabled your company in showing better financial results. For the year ended March 2011, Mercator achieved a turnover of Rs. 2829 cr with 56% growth over previous year. The contribution of revenue from non-shipping income was 57% against 38% in the FY 2010. This has further increased to 64% during first quarter of financial year 2012. The turnover was Rs. 799 crore recording 33% increase over Q1 in FY 2011.

Dear Members, today Mercator has made a strong foothold in businesses of coal and oil resources, oil services, dredging and shipping. Currently, the name of your company "Mercator Lines Limited" reflects its primary focus area as shipping only. However with ongoing growth of Mercator in other verticals, it is thought prudent to change your company's name to "Mercator Limited" to better reflect what your company stands for. This change is subject to necessary approvals.

I and on behalf of the Board of Directors would like to convey sincere thanks to the various ministries, government functionaries, financial institutions, banks and all the shareholders of the Company for their support over the years.

Yours Sincerely

H.K.Mittal
September 22, 2011