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January 18, 2016

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

Dear Sir/Madam,

Sub: Outcome of Board Meeting

The Board of Directors in its meeting held today have inter-alia approved, as a part of an ongoing portfolio restructuring exercise, to exit dry bulk business carried on by its Singapore Stock Exchange listed arm Mercator Lines (Singapore) Ltd. (MLS) by way of divestment. The Sole Placement Agent has been appointed to identify the prospective investor/buyer for sale of entire stake in MLS.

MLS currently carries a debt of ~Rs.1000 Cr and has reported Loss after Tax of ~Rs. 424 Cr (~USD 77 mn) for FY 13; ~Rs.140 Cr (~USD 23 mn) for FY 14 and ~Rs.768 Cr (~USD 125 mn) for FY15; and ~Rs. 136 Cr (~USD 22 mn) for half year ended September 2015. Its operations are currently consolidated in the financial accounts of Mercator India and adversely affecting its consolidated performance.

The Bulk Carriers business has been the worst affected by the downturn in the shipping cycle, with the Baltic Dry Freight having collapsed from a level of 11,793 in 2008 to 373 on January 15, 2016 and not showing signs of early revival in future.

All other operating businesses of Mercator India, as well as its subsidiaries, i.e. Dredging, Tankers, Coal and Logistics and Oil & Gas are performing satisfactorily.

The further updates on disinvestment of stake in MLS will be provided in due course.

For **Mercator Limited**

Deepe
Company Secretary