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February 14, 2018

To **General Manager, Dept. of Corporate Services** **Listing Department** BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 **Scrip Code: 526235**	**To** **Listing Department** The National Stock Exchange Limited of India Limited Bandra Kurla Complex Bandra East Mumbai – 400051 **Scrip Code: MERCATOR**:

Dear Sir(s) / Ma'am,

Sub: Outcome of proceeding of the Board Meeting held on February 14, 2018

Re: Intimation under Regulation 30 and other applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

In accordance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), we would like to inform that the meeting of Board of Directors of Mercator Limited ('Mercator' / 'Company') was held today, February 14, 2018, and the Board *inter alia*, considered and approved segregation of the Dredging Business of the Company into Mercator Dredging Private Limited ('MDPL') by way of a demerger. Pursuant to the Scheme, the shareholders of the Company would get one equity shares of MDPL for every forty equity shares held in Mercator. Upon the Scheme becoming effective, the equity shares of MDPL would get listed on the BSE Ltd and the National Stock Exchange Limited.

The proposed segregation would be carried out vide a Scheme of Arrangement between Mercator Limited ('Mercator' or 'Demerged Company') and Mercator Dredging Private Limited ('MDPL' or 'Resulting Company') and their respective shareholders ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. The Scheme would *inter-alia* involve the following:

(a) Demerger of Dredging Business from Mercator into MDPL;
(b) Subscription of 32,30,636 equity shares by Mercator in MDPL prior to the Record Date; and
(c) Issue of equity shares by MDPL to the shareholders of Mercator as consideration for demerger;

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In consideration for the demerger of the Dredging Business of Mercator into MDPL, in terms of the Scheme and based on share entitlement report issued by M/s CNK & Associates LLP, Independent Chartered Accountants and fairness opinion provided by M/s V.B. Desai Financial Services Limited, a Category I Merchant Banker, MDPL will issue 1 (One) fully paid up equity share of Rs. 10/- each to the equity shareholders of Mercator as on the Record Date (as may be determined in terms of the Scheme) for every 40 (Forty) fully paid up equity shares of Rs.1/- each of Mercator.

The equity shares of MDPL to be issued to the shareholders of Mercator pursuant to the Scheme shall be listed on the stock exchanges (subject to trading permission being granted by the stock exchanges). The Scheme would be subject to approval of the National Company Law Tribunal, Stock Exchanges, SEBI and various statutory approvals, including those from the shareholders of the companies involved in the Scheme.

The information pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 is also enclosed herewith as 'Annexure A' to this letter.

The above is for your information and record, please.

Thanking you,

Yours faithfully,

For Mercator Limited

Pawar

Mercator Limited

Suhas Pawar
Company Secretary

Encl: as above.

Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Remarks
Brief details of the division to be demerged	Dredging Division
Turnover of the demerged division and as a % to the total turnover of the listed entity in the immediately preceding financial year	Dredging : 50.31 %
Rationale for demerger	This Scheme shall have the following benefits: 1. Demerger will facilitate creation of focused entities with identified business objectives and opportunities to independently augment their growth plans. 2. Pure play entities will have sharpened management focus and will concentrate on a single line of business in line with its long term objective. 3. Separate companies would result in improved focus and value propositions to the customers. 4. Increased managerial focus and accelerated financial flexibility would result in better product offering for each business. 5. Value unlocking for shareholders given the business has achieved scale, will attract investors and provide better flexibility in accessing capital
Brief details of change in shareholding pattern of the entities	• Mercator – There would be no change in the shareholding pattern of Mercator post demerger • MDPL – Pursuant to the Scheme shareholders of Mercator would be issued equity shares of MDPL in the ratio of One equity share of Rs 10/- each for every 40 (Forty) equity shares of Rs.1/- each held in Mercator.

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Nature of consideration	• In consideration for the demerger of the Dredging Business of Mercator into MDPL in terms of the Scheme and based on share entitlement report issued by M/s CNK & Associates LLP, Independent Chartered Accountants and fairness opinion provided by M/s V.B. Desai Financial Services Limited, a Category I Merchant Banker, MDPL will issue 1 (One) fully paid up equity share of Rs. 10/- each to the equity shareholders of Mercator as on the Record Date (as may be determined in terms of the Scheme) for every 40 (Forty) fully paid up equity shares of Rs.1/- each of Mercator.
Whether listing would be sought for the resulting company	• Yes, listing will be sought for the resulting company i.e. MDPL

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