

February 14, 2018

To,
The Singapore Exchange Securities Trading Limited.
2, Shenton Way,
#19-00, SGX Centre 1,
Singapore- 068804

RE: USD 16,000,000 4.75% Convertible Bonds due 2019 ("The Bonds").
Sub: Press Release

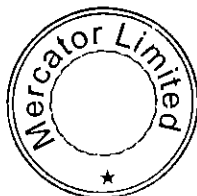
Dear Sir,

We enclose herewith copy of Press Release for your information and records purpose.

Thanking You

Yours Faithfully,
For **Mercator Limited**


Suhas Pawar
(Company Secretary)



Mercator Limited

De-merger of the Dredging Business

Transaction Summary

- Dredging division to be de-merged as a separate entity Mercator Dredging Private Limited (“MDPL”)
- MDPL to be listed as a separate entity as a part of De-merger
- Shareholders of Mercator Limited to receive 1 Equity Share of Rs.10/- each of MDPL for every 40 Equity Shares of Rs.1/- each of Mercator Limited
- Economic Interest of public shareholders remains at 69.3%

Proposed Shareholding Structure of MDPL

Particulars	Number of Shares	%
Promoter	2,323,644	21.51%
Mercator Limited	3,240,636	30.00%
Mercator Shareholders	74,82,629	69.30%
Direct Holding	5,237,840	48.50%
Economic interest through ML	2,248,749	20.80%

Mercator Limited is pleased to announce that its Board of Directors have approved the De-merger of Dredging Business into a separate entity. Mercator Dredging Private Limited will be listed as a separate entity as part of the De-merger process. The Board had earlier initiated a study to evaluate the potential of a de-merger and had appointed a consultant to evaluate the possibility of a business restructuring.

Rationale for De-merger

- Streamline management focus and create superior shareholder returns by unlocking value.
- De-merger creates a focused pure play entity with better access to capital

The appointed date for the proposed scheme is October 1, 2018 and the scheme is subject to shareholders' and various other regulatory approvals. PricewaterhouseCoppers Pvt. Ltd. are the professional consultants appointed by the company for assisting the Demerger activity.

Mr Shalabh Mittal; CEO; Mercator Limited said:

“In the view of government’s thrust on inland waterways, River linking and Sagar Mala projects, we believe that there is a substantial growth opportunity in the Dredging business and we want to be prepared to capitalise on the same. The De-merger will create a focussed pure play entity with potential to create superior long-term shareholder value.

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