

Ref: ML/SGX/2019-20/12

April 30, 2019

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: Notice of Postal Ballot

Dear Sir,

In continuation of our letter no. ML/SGX/2019-20/9 dated April 26, 2019 and pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Notice of Postal ballot along with relevant statement under Section 102 of Companies Act, 2013 and Postal Ballot Form for your information and records.

Please acknowledge the same.

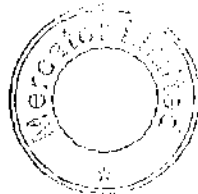
Thanking You,

Yours faithfully,

For Mercator Limited



Sangeetha Pednekar
Company Secretary



Encl: as above



Mercator Limited

Regd. Office: Mittal Tower, B- Wing, 3rd Floor, Nariman Point, Mumbai – 400021

CIN:L63090MH1983PLC031418

Tel: +912266373333, Fax: +912266373344

Website: www.mercator.in

E-mail: secretarial@mercator.in/investors@mercator.in

Postal Ballot Notice

(Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014).

Dear Member(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013, (the “**Companies Act**”), read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws and regulations, that Mercator Limited (the “**Company**”) is seeking consent of its Members through Postal Ballot/Electronic voting (e-voting), for matters as considered in the Resolutions appended below.

Accordingly, draft of the proposed Ordinary/ Special Resolutions together with the Statement pursuant to Section 102 of the Companies Act, 2013, read with Section 110 of the Companies Act, 2013 in respect of the special business of the Notice is being sent to you along with a Postal Ballot Form for your consideration and voting. The Board of Directors has appointed Mr. Sunil Zore, Practicing Company Secretary, (COP Number 11837) as a Scrutinizer, for conducting the Postal Ballot/E-voting Process in a fair and transparent manner.

You are requested to carefully read the instructions herein and printed in the Postal Ballot Form and return the Form duly completed along with assent (**FOR**) or dissent (**AGAINST**), in the attested self-addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before the close of working hours, i.e. 5:00 p.m. on Thursday, May 30, 2019, to be eligible for being considered. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section ‘Procedure for Voting through electronic mode’. References to postal ballot(s) in this Postal Ballot Notice include votes received electronically.

The Scrutinizer will submit his Report to the Chairman after completion of the scrutiny of the Physical Postal Ballots received and the votes casted by electronic mode. The Chairman or any other Director or Chief Financial Officer or Company Secretary of the Company will declare the Results of the Postal Ballot on or before Saturday, June 1, 2019, at 5:00 p.m. at the Company’s Registered Office at 3rd Floor, Mittal Tower, B-Wing, Nariman Point, Mumbai – 400021. The Results will be displayed at the Registered Office of the Company, besides being communicated to the Stock Exchanges on which the Company’s Equity Shares are listed. The Results along with Scrutinizer’s Report will

also be posted on the website of the Company, viz. www.mercator.in and CSDL's E-voting Website www.evotingindia.com for the information of the Member(s).

Special Business:

1. Reclassification of Authorised Share Capital and consequent alteration of the Capital Clause in the Memorandum of Association of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for reclassification of the Authorised Share Capital of the Company from Rs. 235,00,00,000 (Rupees Two Hundred and Thirty-Five Crore only) comprising 35,00,00,000 (Thirty-Five Crore) Equity Shares of Re. 1 (Rupee One) each and 2,00,00,000 (Two Crore) Preference Shares of Rs 100 (Rupees 100) each to Rs. 235,00,00,000 (Rupees Two Hundred and Thirty-Five Crore Only) comprising 135,00,00,000 (One Hundred Thirty-Five Crore) Equity Shares of Re. 1 (Rupee One) each and 1,00,00,000 (One Crore) Preference Shares of Rs. 100 (Rupees One Hundred) each and consequently the existing Clause V of the Memorandum of Association of the Company, relating to the Share Capital be and is hereby altered by deleting the same and substituting in its place and stead, the following new Clause V:

"V. The Authorized Share Capital of the Company is Rs. 2,35,00,00,000/- (Rs. Two Hundred and thirty-five crore only) divided into 135,00,00,000 (One Hundred Thirty-Five Crore) Equity Shares of Re. 1/- (Rupee One Only) Each aggregating to Rs. 135,00,00,000/- (Rs One Hundred Thirty-Five Crore Only) and 1,00,00,000 (One Crore) Preference Shares of Rs. 100/- (Rs. One Hundred Only) Each aggregating to Rs. 1,00,00,00,000/- (Rupees One Hundred Crore only) with rights, privileges and condition attaching thereto as are provided by the Articles of Association of the Company for the time being, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being in to several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manners as may for the time being be provided by the Article of Association of the Company."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take all such steps as it may deem necessary, proper or expedient to give effect to this resolution."

2. Reclassification of Authorised Share Capital and consequent alteration of the Capital Clause in the Articles of Association of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 and the rules issued there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Article 4A of the Articles of Association of the Company be and is hereby amended and substituted by the following:

4A. "The authorized share capital of the Company shall be as stated in Clause V of the Memorandum of Association of the Company"

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board (which expression shall also include a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s)."

3. To re-appoint Mr Man Mohan Agrawal as an Independent Director of the Company for a second consecutive term of 5 (five) years:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr Man Mohan Agrawal (DIN: 00681433), who was appointed as an Independent Director and who holds office of Independent Director up to the close of business hours of September 23, 2019 and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company."

4. Amendment of the existing terms and conditions of the US\$ 16,000,000 4.75% Unsecured Foreign Currency Convertible Bonds ("FCCBs") issued by the Company :

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in accordance with the provisions of Section 62 and other applicable provisions of the Companies Act, 2013 and/ or Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment(s) thereof), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Deposit Receipt Mechanism) Scheme, 1993, as amended, the Uniform Listing Agreements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, where the Equity Shares of the Company are listed and the listing requirements of the Stock Exchange where the said Foreign Currency Convertible Bonds ("FCCBs") of the Company are listed and the applicable rules, regulations, notifications and circulars, if any, issued by Securities and Exchange Board of India ("SEBI") from time to time including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, the Reserve Bank of India ("RBI"), Government of India or any other competent authority and clarifications, if any, issued thereon from time to time by appropriate authorities, and other applicable laws, if any, and relevant provisions of the Memorandum and Articles of Association of the Company and subject

to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of the RBI and any other regulatory, statutory or other authority(ies) as may be required, and subject to all conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions ("Regulatory Approvals"), which may be agreed to by the Board of Directors of the Company ("Board") (which term shall be deemed to include any committee constituted/ or to be constituted by the Board for exercising powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board, and the Board be and is hereby authorized, to a downward reset of the conversion price of the outstanding FCCBs from the current conversion price of Rs. 38.30 per Equity Share to Rs.10 per Equity Share or such price as maybe calculated in accordance with the applicable regulations issued by the SEBI, as the Board in its absolute discretion may deem fit and appropriate, subject to necessary approvals including Regulatory Approvals and approval of the holders of the FCCBs ("Bondholders"), subject to the condition that the conversion price after such downward reset shall at least be Rs. 10 (being the agreed conversion price)."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares (including additional Equity Shares) as may be required to be issued and allotted upon conversion of the FCCBs above as may be necessary pursuant to the proposed downward reset of the conversion price of the FCCBs and all such shares shall rank pari passu with the existing Equity Shares of the Company in all respect as may be provided under the terms of issue thereof, in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulatory Approvals and other applicable laws."

"RESOLVED FURTHER THAT for the purpose of giving effect to the proposed downward reset of the conversion price of the FCCBs above, and for any matter otherwise incidental or ancillary to the foregoing, the Board or the Committee of Directors as may be authorised by the Board, be and is hereby authorized, on behalf of the Company to do all such acts, deeds, matters, and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, filing of application(s) before RBI and other regulatory agencies whether in India or abroad, the entering into agreement(s) with one or more advisor(s), legal counsels and to sign all applications, filings, deeds, documents and writings and to pay any fees, commissions, remunerations, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such proposed downward reset of the conversion price of the FCCBs above, as it may, in its absolute discretion deem fit, without the need for any further authorisations of the shareholders in this regard."

By Order of the Board of Directors

H K Mittal
Executive Chairman
(DIN:00007690)

Dated: April 26, 2019

Registered Office:

3rd Floor, Mittal Tower, B-Wing,
Nariman Point, Mumbai-400021.

Notes:

- a. The Statement pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, setting out the material facts in respect of the aforesaid item of business is annexed hereto.
- b. All documents referred to in this notice and the explanatory statement pursuant to Section 102 of the Companies Act, 2013 shall be open for inspection by the members at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00p.m., upto the date of declaration of results of the Postal Ballot.
- c. In the event the resolution is approved by requisite majority of Members, the Resolution shall deemed to have been on the last date specified as below for receipt of duly completed postal ballot forms or E-voting.
- d. Members whose names appear on the Register of Members / List of Beneficial Owners as on April 17, 2019, will be considered for the purpose of voting. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Members as on April 17, 2019. A person who is not a member as on April 17, 2019 should treat this notice for information purposes only. The Postal Ballot Notice is being sent to Members who have registered their email IDs for receipt of documents in electronic form to their email addresses registered with their Depository Participants / the Company's Registrar and Transfer Agent. For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice along with Postal Ballot Form are being sent by permitted mode along with postage prepaid self-addressed Business Reply Envelope.
- e. In terms of Sections 108 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the item of businesses given in the notice through electronic voting system, to shareholders through the e-voting platform provided by the Central Depository Services (India) Limited (CDSL). The members may cast their votes on electronic voting system. The e-voting period will commence at 9.00 a.m. on Wednesday, May 1, 2019 and will end at 5.00 p.m. on Thursday, May 30, 2019. The e-voting will not be allowed beyond the aforesaid date and the time and the e-voting module shall be disabled upon expiry of aforesaid period. The Company has appointed Mr. Sunil Zore, Practicing Company Secretary, (COP No. 11837), to act as the Scrutinizer, for conducting the Postal Ballot Process in a fair and transparent manner. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
- f. Kindly note that the Shareholders can opt only one mode of voting, i.e. either by Physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Postal Ballot also and vice versa. However, in case the Shareholders cast their vote by Physical Postal Ballot and e-voting, then voting done by e-voting shall prevail and voting done through valid Physical Ballot will be treated as invalid.
- g. Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed Business Reply Envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered / speed post at the expense of the Shareholders will also be accepted.
- h. For any grievances / queries connected with the voting by postal ballot including voting by electronic means, shareholders may contact the undersigned at investors@mercator.in or write to

him at the registered office of the Company or may contact Mr. Rakesh Dalvi, Deputy Manager, CDSL, at helpdesk.evoting@cdslindia.com or Phone No.:18002005533.

- i. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny of the Postal Ballot Forms received in physical mode and the votes casted through electronic mode. The Scrutinizer's decision on the validity of the Postal Ballot shall be final and binding on all concerned.
- j. The results of the Postal Ballot will be published in the Newspaper (English and Vernacular) immediately after declaration of the results and will be placed at the website of the Company at www.mercator.in for information of Members besides being communicated to all the Stock Exchanges on which the shares of the Company are listed.

Procedure for voting through electronic mode:

- k. The Company has entered into an arrangement with the Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the Shareholders to cast their votes electronically instead of physical mode. The instructions for e-voting are as under:

Members are requested to follow the instructions for e-voting as under:

1. The voting period begins on Wednesday, May 1, 2019 at 9:00 a.m. and ends on Thursday, May 30, 2019 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of April 17, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The shareholders should log on to the e-voting website www.evotingindia.com.
3. Click on "Shareholders" tab to cast your vote.
4. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
7. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Date of Birth (DOB)	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format

Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If details are not recorded with depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (4).
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8. After entering these details appropriately, click on "SUBMIT" tab.
9. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the EVSN for the relevant <MERCATOR LIMITED> on which you choose to vote.
12. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
14. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
17. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
18. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
19. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
20. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
21. Members who have acquired shares after the dispatch of the Notice may obtain the user ID and Password by sending a request at www.evotingindia.com or secretarial@mercator.in. However, if you are already registered with CDSL for e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using “Forgot User Details / Password” option available on www.evotingindia.com.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 1 & 2 : Reclassification of Authorised Share Capital and Consequent Alteration of Memorandum of Association & Articles of Association of the Company.

The present authorised capital of the Company is Rs. 235,00,00,000 (Rupees Two Hundred and Thirty Five Crore only) comprising 35,00,00,000 (Thirty Five Crore) Equity Shares of Re. 1 (Rupee One) each and 2,00,00,000 (Two Hundred Crore) Preference Shares of Rs. 100 (Rupees One Hundred) each.

As per the provisions of Sections 13 and 14 of the Companies Act, 2013, a Company can alter the Share Capital Clause of its Memorandum of Association and Articles of Association with the consent of Shareholders. On reclassification of authorised capital, it would be necessary to amend Clause V of the Memorandum of Association and Article 4A of Articles of Association of the Company. To facilitate the issue of additional shares under the FCCB issue, the Resolution seeks approval of Members to reclassify the Share Capital and to amend the said Clauses. The preference capital component of authorised capital is sought to be reclassified into equity shares and it is proposed that the existing Authorised Share Capital of the Company of Rs. 235,00,00,000 (Rupees Two Hundred and Thirty Five Crore only) comprising 35,00,00,000 (Thirty Five Crore) Equity Shares of Re. 1 (Rupee One) each and 2,00,00,000 (Two Crore) Preference Shares of Rs. 100 (Rupees One Hundred) each is reclassified to Rs. 235,00,00,000 (Rupees Two Hundred and Thirty Five Crore Only) comprising 135,00,00,000 (One Hundred Thirty Five Crore) Equity Shares of Re. 1 (Rupee One) each and 1,00,00,000 (One Crore) Preference Shares of Rs. 100 (Rupees One Hundred) each. The Resolution requires approval of Members to reclassify the Share Capital and to amend the respective Clauses in the Memorandum of

Association & Articles of Association of the Company. The Board of Directors recommends the passing of these Resolutions by ordinary/special resolutions. None of the Directors / key managerial persons of the Company or their relatives are interested, financially or otherwise, in the aforesaid resolution.

Item No. 3 : Re-appointment of Mr M M Agrawal as an Independent Director of the Company for a second consecutive term of 5 (five) years

Mr M M Agrawal (DIN : 00681433) was appointed as an Independent Director on the Board of the Company for a period of 5 years commencing from September 24, 2014 pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Mr M M Agrawal as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board based on the performance evaluation of Mr. M. M. Agrawal and as per the recommendation of The Nomination and Remuneration Committee of the Board of Directors, considers that, given the background, experience and contributions made by him during his tenure, the continued association of Mr M M Agrawal would be beneficial to the Company. Mr. M M Agrawal has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

The brief profile of Mr.M. M. Agrawal is given below

Mr. M. M. Agrawal, 68 is a Bachelor of Engineering from Nagpur University. He has over 40 years of experience in the Banking and Finance industry, having worked with the State Bank of Bikaner & Jaipur and Axis Bank Ltd (as Dy. Managing Director). He is on the Board of many companies, such as Jaguar Overseas Limited, SREI Mutual Fund Asset Management Private Limited and Hindustan Power Projects Private Limited.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations

Item No. 4 : Amendment of the existing terms and conditions of the US\$ 16,000,000 4.75% Unsecured Foreign Currency Convertible Bonds ("FCCBs") issued by the Company

As the members are aware, your Company issued FCCBs aggregating to US\$ 16,000,000 during the Financial Year 2014-15. The initial conversion price of the FCCBs was Rs. 38.30 per Equity Share, subject to certain adjustments as agreed with the holders of the FCCBs ("Bondholders"). The FCCBs alongwith the premium fell due for redemption on May 27, 2019. The Company paid interest upto 13th February, 2019. The Company has entered into a Term Sheet with Bondholders to restructure the FCCB's.

In view of the highly volatile nature of the global and local capital market, the trading price of the Equity Shares has fallen significantly. The closing share price of the Equity Shares of the Company on the BSE Limited("BSE") and the National Stock Exchange of India Limited ("NSE") on February 28, 2019 were Rs. 7.26 and Rs.7.25 respectively, which was substantially below the conversion price of

the FCCBs as stated above. As a result of the disparity between the trading price of the Equity Shares of the Company and the conversion price of the FCCBs, the Bondholders have not exercised their conversion option, there being no economic incentive to convert their FCCBs into Equity Shares of the Company.

In the aforementioned context, and with a view to:

- i. Rollover of repayment of FCCB's falling due on May 27, 2019 and hence to avoid considerable strain on the Company's financial position; and
- ii. Improve the image of the Company in the international markets and among major foreign investors; subject to approvals and clearance of regulatory agencies including RBI and the approval of the Bondholders, it is proposed that:
 - a) conversion price of the FCCBs be reset downwards from Rs. 38.30 per Equity Share to such lower price as may be determined by the Board subject to the condition that after such downward reset the conversion price of the FCCBs shall at be least Rs. 10 (being the agreed conversion price); and
 - b) to amend the terms of the FCCBs to give effect to the reset (including without limitation, the conversion price, the foreign exchange rate or such other terms as may be mutually agreed) as may be agreed between the Company and the Bondholders.

The proposed downward reset of conversion price of the FCCBs is subject to approvals and clearance of Regulatory Agencies including Reserve Bank of India and Bondholders.

The proposed downward reset of conversion price of the FCCBs merely envisages an amendment to the terms of the FCCBs to reflect contemporary market realities, and to maximize the possibility of the conversion of the FCCBs into Equity Shares of the Company. Due to the proposed reduction in the conversion price, the number of Equity Shares to be issued to the holder of the FCCBs exercising their right to convert the FCCBs into Equity Shares of the Company would be significantly higher than the number of Equity Shares which would have been issued, had the FCCBs been converted into Equity Shares at the original conversion price of Rs. 38.30 per Equity Share.

Pursuant to the provisions of Section 62 of the Companies Act, 2013, as amended, issue of Equity Shares to any person other than the existing shareholders of the Company requires the consent of the Company by way of a Special Resolution.

The issue of the Equity Shares pursuant of the conversion of the FCCBs to be issued by the Company has already been approved at the earlier meeting of the shareholders held on February 4, 2014. Subject to receipt of relevant approval(s), the Company now proposes to reset the conversion price of the FCCBs downward from the original conversion price of Rs. 38.30 per Equity Share. Furthermore, the number of Equity Shares to be issued on the conversion of the FCCBs pursuant to the proposed downward reset of conversion price may be higher than if the FCCBs were converted at the original conversion price of Rs. 38.30 per Equity Share. Accordingly, the approval of the shareholders of the Company is being sought in this regard for such proposed downward reset of the conversion price and the issuance of additional Equity Shares upon conversion of the FCCBs after such proposed downward reset of the conversion price.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed Special Resolution at Item No. 4 except to the extent of their shareholding in the Company. The Board recommends the Resolution for the approval of the members as a **Special Resolution**.

By Order of the Board of Directors

H K Mittal
Executive Chairman
(DIN:00007690)

Dated: April 26, 2019

Registered Office:

3rd Floor, Mittal Tower, B-Wing,
Nariman Point, Mumbai-400021.

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**MERCATOR****MERCATOR LIMITED**

CIN: L63090MH1983PLC031418

Registered Office: 3rd Floor, Mittal Tower, B- Wing, Nariman Point, Mumbai - 400021**Tel:** +912266373333, **Fax:** +912266373344**website:** www.mercator.in; **e-mail:** investors@mercator.in/secretarial@mercator.in**POSTAL BALLOT FORM**

1. Name and registered address of the :
sole / first named member
(in block letters)

2. Name(s) of the joint Member(s), if any :
(in block letters)

3. Registered Folio number / :
DPID No. / Client ID No.*

4. Number of shares held :

(* Applicable to investors holding shares in dematerialized form)

I / We hereby exercise my / our vote in respect of the Ordinary/Special Resolution to be passed through Postal Ballot for the businesses stated in the Notice of the Company by conveying my / our assent or dissent to the said Resolution by placing the tick mark (✓) at the appropriate box below:-

Item No.	Description	No. of Shares	(For)	(Against)
			I / we assent to the resolution	I / we dissent to the resolution
1.	Reclassification of Authorised Share Capital and consequent alteration of the Capital Clause in the Memorandum of Association of the Company			
2.	Reclassification of Authorised Share Capital and consequent alteration of the Capital Clause in the Articles of Association of the Company			
3.	To re-appoint Mr Man Mohan Agrawal as an Independent Director of the Company for a second consecutive term of 5 (five) years			
4.	Amendment of the existing terms and conditions of the US\$ 16,000,000 4.75% Unsecured Foreign Currency Convertible Bonds ("FCCBs") issued by the Company			

Place:

Date:

(Signature of Member)

Note : Please read the instructions printed overleaf carefully before exercising your vote.

ELECTRONIC VOTING PARTICULARS

EVS (E-voting Sequence Number)	User ID	Password
190424002		

Instructions

1. A Member desiring to exercise vote by Postal Ballot shall complete this Postal Ballot Form in all respects and send it to the Scrutinizer in the attached self-addressed Business Reply Envelope. However, envelope containing Postal Ballot Form, if sent by courier / any other mode at the expenses of the Member will also be accepted. The company also offers remote e-voting facility by electronic mode.
2. A Member can opt only one mode of voting i.e. either through e-Voting or by Ballot. If a Member casts vote by both modes, then voting done through E-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Notice of Postal Ballot.
4. The self-addressed envelope bears the address of the scrutinizer. Members are requested not to send any other paper/s along with the Postal Ballot Form in the enclosed self-addressed Business Reply Envelope, as all such envelopes will be sent to the scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
5. This Ballot Form should be completed and signed by the member. In case of joint holding, the Form should be completed and signed by the first named Member and in his absence by the next named Member. The signature of the member(s) on this Postal Ballot Form should be as per the specimen signature registered with the company or furnished by the National Security Depository Limited/Central Depository Services (India) Limited, in respect of shares held in the physical form or dematerialized form, respectively.
6. In case of shares held by the Institutional Shareholders i.e. other than individuals, HUF, NRI etc. the duly completed Postal Form should be accompanied by certified copy of the Board Resolution / Authority Letter together with attested specimen signature(s) of duly authorized signatory(ies). Postal Ballot Form signed by the holder of Power of Attorney for and on behalf of a Shareholder of the Company must be accompanied by the copy of Power of Attorney duly certified by the Magistrate, Notary Public or Special Executive Officer or a similar authority holding a Public Office Authorized to use the Seal of his Office. If the Power of Attorney is already registered with the company or R & T Agents, please quote the registration number beneath the signature.
7. Tick(✓) marks should be placed in the relevant box signifying assent/dissent for the resolution, as the case may be, before mailing the Postal Ballot Form. Members are entitled to vote For/Against Resolution covering total Number of Shares held by them.
8. There will be only one Postal Ballot Form for every Folio / Client ID irrespective of the number of Joint Member(s). Members are entitled to cast their voted differently i.e. all the votes either in favour or against or partly in favour or against.
9. Duly completed Postal Ballot Form should reach the scrutinizer not later than close of working hours i.e. 5.00 p.m. of May 30, 2019. Postal Ballot Form received after this date will be strictly treated as if the reply from the Members has not been received.
10. A Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the time and date specified at item no. 9 above.
11. Votes will be considered invalid inter alia, on the following grounds:
 - a) If the Member's signature does not tally.
 - b) If the Member's has marked all his shares both in favour and also against the Resolution.
 - c) If neither assent nor dissent is mentioned.
 - d) If the Postal Ballot Form is unsigned.
 - e) If the Postal Ballot Form is received in torn or defaced or mutilated condition to an extent that it is difficult for the Scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or on one or more such grounds.
 - f) If the Postal Ballot Form is received in such a state that it is incomplete, or incorrect, or otherwise it is not possible to assess the Member's intention to vote.
 - g) Member has made any amendment to the Resolution or imposed any condition while exercising his vote.
12. The result of the Postal Ballot will be announced on or before Saturday, June 1, 2019 at 5 p.m. at the Registered office of the Company at 3rd Floor, Mittal Tower, B-Wing, Nariman Point, Mumbai - 400 021 and will also be informed to BSE and NSE, and posted on the Company's website www.mercator.in and on website of CDSL i.e. [https:// www.evotingindia.com](https://www.evotingindia.com).
13. The Scrutinizer's decision on the validity of the Postal Ballot will be final.