

GAURAV MERCANTILES LIMITED

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May 6, 2020

BSE Limited

Corporate Services Department

Phiroze Jeejeeboy Towers

Dalal Street, Mumbai-400 001

Scrip Symbol: GMLM

Scrip Code: 539515

Subject: Outcome of Board Meeting convened on May 6, 2020

Reference: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board of Directors of the Company in their meeting held on Wednesday, May 6, 2020, commenced at 4.30 p.m. and concluded at 5:00 p.m., considered the following agenda items.

1. The Company had received request letters from the following identified members (“**Reclassifying Promoters**”) of the Promoter/ Promoter Group on April 10, 2020 seeking re-classification of their status as ‘Public’ based on declarations that the conditions specified under Regulation 31A(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018 are satisfied. The Company had duly intimated the BSE Limited regarding the request vide letter dated April 11, 2020.
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#	Name of the member of Promoter / Promoter Group to be reclassified	No. of shares / securities held	Details of direct/ indirect control or special rights	Designation in the Company as KMP or in any other capacity
1.	Gulab Devi Bohra	Nil	None	None
2.	Nikhil Bohra	Nil	None	None
3.	Pratap Singh Bohra	Nil	None	None
4.	Tarun Bohra	Nil	None	None
5.	Vivek Bohra	Nil	None	None
6.	Bohra Exports Pvt. Ltd	Nil	None	Not applicable

We wish to inform you that Board of Directors of the Company have acknowledged the receipt of request from the Reclassifying Promoters dated April 10, 2020 seeking re-classification from ‘Promoter and Promoter Group’ category to ‘Public’ category. The Board of Directors have approved the aforesaid request subject to the approval of the shareholders and the BSE Limited and compliance of the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- The Board of Directors approved the acquisition of the digital content business, operated under brand name of “*The Quint*”, from Quintillion Media Private Limited, being a related party, as a going concern on a slump sale basis for a lump-sum consideration. The acquisition is subject to the approval of the shareholders.

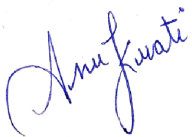
The relevant details required to be disclosed as per Para 1 of Part A specified under Part A of Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/4/2015 dated September 9, is marked and annexed hereto as **Annexure – A**.

- The Board of Directors approved certain identified material related party transactions to be undertaken in the ordinary course of business by the Company. These material related party transactions shall be undertaken by the Company subject to the completion of the acquisition of the digital content business, operated under brand name of “*The Quint*”, from Quintillion Media Private Limited, being a related party. The Company will enter into the proposed material related party transactions subject to the approval of the shareholders.

4. The Board of Directors approved the proposal to increase the borrowing powers of the Company and for creation of charge or mortgage or hypothecation against the assets or properties of the Company up-to INR 100 Crores (Rupees One Hundred Crore only) in accordance with the provisions of Section 180 of the Companies Act, 2013, subject to the approval of the shareholders.
5. The Board of Directors approved the alteration of the Articles of Association of the Company and adopted in substitution for, and to the exclusion, of the existing Articles of Association of the Company, the new set of Articles of Association, subject to the approval of the shareholders.
6. The Board of Directors approved the shifting of the Registered Office of the Company from the State of Maharashtra to the National Capital Territory of Delhi and consequent amendment to Memorandum of Association of the Company, subject to the approval of the shareholders.
7. The Board of Directors approved the change in name of the Company and consequent amendment to Memorandum & Articles of Association of the Company, subject to the desired name made available by the concerned Registrar of Companies and the approval of the shareholders, the BSE Limited and concerned Registrar of Companies.
8. The Board of Directors also approved the draft Postal Ballot Notice for seeking the approval of the shareholders on identified matters. The calendar of events for seeking approval of the shareholders by way of a Postal Ballot is marked and annexed hereto as **Annexure – B**.

You are requested to take the above information on record.

For Gaurav Mercantiles Limited



Anukrati Agarwal
(Company Secretary)



Information in respect of the acquisition of digital content business from Quintillion Media Private Limited

S. No	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc	<p>Quintillion Media Private Limited is a private limited company engaged <i>inter alia</i> in the business of owning and operating diversified digital content platforms. Quintillion Media Private Limited presently operates digital content platforms under the following names viz. “The Quint” – www.thequint.com, “The Quint Hindi” - "http://hindi.thequint.com"and “FIT” – www.fit.thequint.com (the “Digital Business”).</p> <p>The Digital Business had revenues of INR 11.1 Crores as per latest audited financial statements as at March 31, 2019.</p>
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”	<p>Yes, the acquisition is a material related party transaction.</p> <p>Mr. Raghav Bahl and Ms. Ritu Kapur are common directors in the Company and Quintillion Media Private Limited.</p> <p>In addition, Mr. Raghav Bahl and Ms. Ritu Kapur, the promoters of Gaurav Mercantiles Limited collectively owning 66.42% of the share capital, are the ultimate beneficial</p>

S. No	Particulars	Details
		<p>shareholders of Quintillion Media Private Limited.</p> <p>Also, as a matter of good corporate governance it is also disclosed that Mr. Mohan Lal Jain, promoter of Gaurav Mercantiles Limited, is a director on the Board of the holding company of Quintillion Media Private Limited.</p> <p>The transaction is being entered at arm length based on a fair valuation report of an intendent valuer, supported by a fairness opinion from a Category – I Merchant Banker registered with the Securities and Exchange Board of India.</p>
3.	Industry to which the entity being acquired belongs	The proposed transaction involves acquisition of the Digital Business of Quintillion Media Private Limited as a 'going concern' on a 'slump sale basis' for a 'lump-sum consideration'.
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The Company had altered its main objects specified under the Memorandum of Association to undertake media and entertainment business, including digital business, with the prior approval of shareholders obtained through a postal ballot on May 12, 2019.

S. No	Particulars	Details
		<p>Further, the Board of Directors vide their meeting held on July 17, 2019, discussed the preliminary proposal to acquire the Digital Business of Quintillion Media Private Limited.</p> <p>The key advantages and effects of acquisition of the Digital Business are as follows:</p> <ul style="list-style-type: none"> (i) Give the company a strong foothold in the digital media business of the economy. (ii) Enable the Company and its shareholders to reap benefits from projected growth in the digital media business going forward. The key drivers for growth in digital media business are: <ul style="list-style-type: none"> a) Digital demography: increase in internet penetration and mobile subscribers. b) Digital monetization: increased investment in acquiring original content and investment in digital infrastructure. c) Regional content: share of regional languages is set to grow as the market players

S. No	Particulars	Details
		<p>start to focus on content offerings in regional languages.</p> <p>d) Uptake in consumer spending: rise in discretionary personal expenditure will increase the propensity to pay for digital content.</p> <p>(iii) Gain from experience and expertise of Mr. Raghav Bahl and Ms. Ritu Kapur, the pioneers of Indian Media and Entertainment Industry</p>
5.	Brief details of any governmental or regulatory approvals required for the acquisition	The Company will seek necessary approval from the shareholders.
6.	Indicative time period for completion of the acquisition	It is expected that the transaction will be completed within 3 months from date of receipt of shareholders' approval.
7.	Nature of consideration - whether cash consideration or share swap and details of the same	Cash consideration
8.	Cost of acquisition or the price at which the shares are acquired	Lumpsum purchase consideration at an Enterprise Valuation of INR 30,58,55,459 (Thirty Crores Fifty Eight Lakhs Fifty Five Thousand Four Hundred Fifty Nine Only) and an Equity Value of INR 12,62,26,644

S. No	Particulars	Details
		(Twelve Crores Sixty Two Lakhs Twenty Six Thousand Six Hundred Forty Four Only), adjusted in accordance with the terms of the draft Business Transfer Agreement <i>(including closing adjustments)</i> , based on the fair valuation report of an independent valuer.
9.	Percentage of shareholding / control acquired and / or number of shares acquired	Not applicable
10.	Brief background about the entity acquired such as product/Line of business acquired, date of incorporation, history of last 3 years turnover, Country in which the acquired entity has presence Any other significant information (in brief)	<p>(i) The proposed transaction involves acquisition of Digital Business of Quintillion Media Private Limited as a 'going concern' on a 'slump sale basis' for a 'lump-sum consideration'.</p> <p>(ii) Turnover of the Digital Business for last 3 years (as per audited accounts) is as under:</p> <p style="padding-left: 40px;">FY 2016-2017: Rs 3.35 Crores FY 2017-2018: Rs 7.25 Crores FY 2018-2019: Rs 11.1 Crores</p> <p>(iii) Quintillion Media Private Limited is a company incorporated in India.</p>

Calendar of Events

S. No.	Events	Date
1.	Date of receipt of consent of the Scrutinizer proposed to be appointed	April 24, 2020
2.	Date of the board meeting for approval of Postal Ballot Notice, appointment of Scrutinizer & agency for providing electronic voting facility and giving authorization to Chairman/ Directors and Company Secretary for various matters in connection with the Postal Ballot	May 6, 2020
3.	Relevant date (cut-off date) for determination of shareholders to whom the Notice of the Postal Ballot will be sent	May 8, 2020
4.	Publication of Public Notice in newspapers requiring shareholders to up-date their email address <i>(in English and Marathi language)</i>	May 11, 2020
5.	Completion for sending Notice of the Postal Ballot by electronic means and intimation to Stock Exchange regarding completion of dispatch of Notice	May 14, 2020
6.	Publication of advertisement of Notice of the Postal Ballot in newspapers <i>(in English and Marathi language)</i>	May 15, 2020
7.	Commencement of voting period	May 15, 2020
8.	Last date for vote through e-voting facility	June 13, 2020
9.	Submission of report by Scrutinizer	June 15, 2020
10.	Declaration of voting results by Chairman	
11.	Intimation of voting results to the Stock Exchange/ Company Website	June 15, 2020