

Essar Ports Limited

(Formerly known as Essar Shipping Ports & Logistics Limited)

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September 20, 2012

BSE Limited

Department of Corporate Services

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Dear Sir,

**Sub: Re-financing of Rs. 405 crore debt through
India Infrastructure Finance Company Limited (IIFCL)**

We wish to inform you that the subsidiary of the Company, Essar Bulk Terminal Limited has re-financed its Rs.405 crore debt through take out financing from India Infrastructure Finance Company Limited (IIFCL).

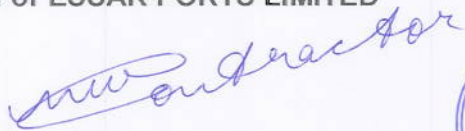
A detailed press release being issued is attached herewith.

This is for your information please.

Thanking you,

Yours faithfully,

For ESSAR PORTS LIMITED



**MANOJ CONTRACTOR
COMPANY SECRETARY**



Encl.: As Above

- Essar Ports re-finances its Rs 405 Crore debt through IIFCL
- Essar Ports takes a step forward in cutting debt cost of high cost debt; rides takeout finance from IIFCL

Mumbai 20 September 2012: Essar Ports today announced that it has refinanced its debt in a subsidiary Essar Bulk Terminal Limited Hazira through take out finance scheme of India Infrastructure Finance Company Limited (IIFCL). Essar Ports has availed the take out finance scheme to reduce its interest rate by over two and half per cent on Rs 405 crore which is part of debt taken for building its 30 million tonne capacity bulk terminal at Hazira in Gujarat

Takeout finance of the infrastructure projects by IIFCL is the government initiative wherein an infrastructure project on commissioning can replace some of its costly domestic rupee debt with finances from IIFCL. This lowers the interest burden on infrastructure projects and facilitates incremental lending to infrastructure sector by freeing up the capital of banks..

The company, which has a total debt of about a billion dollars could explore further availing the benefits of such a scheme for cutting the cost of its infrastructure project, Vadinar Port Terminal, a 12 million tonne all weather deep draft facility which is located in Gujarat.

Speaking about the development, Mr. Shailesh Sawa- Director Finance, Essar Ports Limited said, "As part of our constant endeavour to reduce the cost of debt, we have availed government initiated scheme of take out finance. This will reduce our cost of debt and we will undertake more such initiatives to deliver better returns to our shareholders"

Earlier this year, Essar Ports entered into strategic alliance with Port of Antwerp receiving an equity infusion of Rs 175 crore at approx Rs 100 per share. The proceeds from this transaction was used to reduce the company's debt. The company's policy this year has been to reduce interest costs. For the quarter ended June 2012, Essar ports also reported 73% increase in the net profit after company handled highest ever cargo of 12.65 million tonnes during the quarter.

About Essar Ports

Essar Ports Ltd is one of the largest port companies of India, with a current capacity of 88 MMTPA. The capacity is being expanded to 158 MMTPA over the next few years.

Essar Ports has two operational ports at Hazira and Vadinar. The Hazira port is an all-weather, deep-draft port with 30 MMTPA of dry bulk and break bulk cargo handling capacity. Vadinar is also an all-weather, deep-draft port with 58 MMTPA of liquid cargo handling capacity.

Essar Ports is currently developing two terminals at Paradip comprising of an iron ore berth of 16 MMTPA and a coal berth of 14 MMTPA. The company is also setting up a dry bulk terminal at Salaya with a capacity of 20 MMTPA. Additionally, the company plans to expand its Hazira port capacity by 20 MMTPA taking its capacity to 50 MMTPA.



About Essar Group

The Essar Group is a multinational conglomerate and a leading player in the sectors of Steel, Energy, Infrastructure and Services. With operations in more than 25 countries across five continents, the Group employs 75,000 people, with revenues of US\$ 17 billion.

For Media Queries

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