

**POSTAL BALLOT NOTICE**

Pursuant to Section 192A of the Companies Act, 1956

To the Shareholders

NOTICE is hereby given that the following Resolution is circulated for approval of the Shareholders of the Company to be accorded through Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 (including any statutory modification or re-enactment thereof for the time being in force):

1. Creation of Charge:

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

"RESOLVED THAT pursuant to Section 192A, 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby granted to the Board of Directors to mortgage and / or charge, in addition to the mortgages and / or charges created / to be created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, all or any of the movable and / or immovable, tangible and / or intangible properties of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the lender(s), agent(s), trustee(s) for securing the borrowings of the Company availed / to be availed by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and / or non-convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rates notes / bonds or other debt instruments), issued / to be issued by the Company, from time to time, subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on pre-payment, remuneration of agent(s) / trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other money payable by the Company in terms of loan agreement(s), heads of agreement(s), debenture trust deed or any other document entered into / to be entered into between the Company and the lender(s) / agent(s) / trustee(s), in respect of the said loans / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors and the lender(s) / agent(s) / trustee(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters, things and execute documents as it may in its absolute discretion deem necessary, proper, desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowings aforesaid and further to delegate all or any of the above powers to the committee of the Directors or the Chairman as may be necessary, proper, desirable or expedient to give effect to this resolution."

2. Increase in Borrowing Powers of the Company:

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

"RESOLVED THAT in supersession of the resolution passed by the Members at the Extra-Ordinary General Meeting held on 30.7.2008 and pursuant to Section 192A, Section 293(1)(d) and all other applicable provisions of the Companies Act, 1956, or any amendments or modifications thereof (including any ordinance or statutory modification, re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the Board of Directors to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the company (amount from temporary loans obtained from the companies bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the company and the free reserves, that is to say, reserves not set apart for any specific purpose, provided however, the total amount so borrowed shall not exceed ₹ 400 Crore (Rupees Four Hundred Crore only) at any time."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters, things and execute documents as it may in its absolute discretion deem necessary, proper, desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowings aforesaid and further to delegate all or any of the above powers to the committee of the Directors or the Chairman as may be necessary, proper, desirable or expedient to give effect to this resolution."

3. Resolution under Section 372A of the Companies Act, 1956 for making Investment, loan or giving guarantee or provide Security in connection with a loan:

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

"RESOLVED THAT pursuant to Section 192A, 292, 372A and other applicable provisions of the Companies Act, 1956, or any amendments or modifications thereof (including any ordinance or statutory modification, re-enactment thereof for the time being in force) and subject to consent and approvals of and permissions as may be necessary under any statute for time being in force, or any other approvals as may be required from lenders, consent of the Company be and is hereby accorded to the Board of Directors of the Company to invest / acquire from time to time by way of subscription, purchase, conversion or otherwise Equity Shares, Preference Shares, Debentures (whether convertible or non-convertible) or any other financial instruments of Kesar Multimodal Logistics Limited (KMLL) or to make / give from time to time any loan or loans and to give from time to time any guarantee(s) and/or provide any security, in connection with any loan(s) made, by any other person(s) to KMLL, as the Board may think fit, for the amount exceeding the limits specified in Section 372A of the Companies Act, 1956 subject to a limit of ₹ 50 Crore (Rupees Fifty Crore only)."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to take from time to time all

decisions and steps necessary or expedient or proper in respect of the above loan(s) / guarantee(s) / security(ies) / investment(s) including the timing, the amount and other terms and conditions of such loan(s) / guarantee(s) / security(ies) / investment(s) and varying the same through transfer, sale, disinvestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate for the purpose of giving effect to this resolution."

Registered Office:

Oriental House,
7, Jamshedji Tata Road,
Churchgate,
Mumbai – 400 020

By Order of the Board of Directors
For **Kesar Terminals & Infrastructure Limited**

Bhautesh Shah
Company Secretary

2nd February, 2012

Notes :

1. The relative Explanatory Statement pursuant to Sections 173(2) and 192A of the Companies Act, 1956 setting out material facts is annexed hereto.
2. The Board of Directors at its meeting held on 2.2.2012 has appointed Ms. Ragini Chokshi of M/s. Ragini Chokshi & Co., Practicing Company Secretary as the Scrutinizer to receive and scrutinize the completed Ballot Papers from the Members. The Postal Ballot Form and the self addressed business reply envelope are enclosed for use of the Members.
3. The Notice along with the Postal Ballot Form and self addressed business reply envelope is being sent under Speed Post to all the Members, whose names would appear in the Register of Members / Record of Depositories as on Friday, the 3rd February, 2012.
4. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed with the assent (for) or dissent (against), in the attached pre-paid envelope, so as to reach the Scrutinizer on or before 26.3.2012 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny and the results of postal ballot will be announced on 29.3.2012 at the Registered Office of the Company at 5:00 p.m. The results will also be displayed on the Company's website viz. www.kesarinfra.com
5. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
6. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays 11.00 a.m. and 1.00 p.m. upto to 26.3.2012.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

You are aware that the Company alongwith its Consortium Member, Kesar Enterprises Limited (KEL) had won the bid for setting up a "Composite Logistics Hub" on an area of 88.3 acres provided by the Madhya Pradesh State Agricultural Marketing Board (Mandi Board) at Pawarkheda, District Hoshangabad, Madhya Pradesh on Design, Build, Finance, Operate and Transfer (DBFOT) basis through Public Private Participation (PPP), which would include development of an entire range of logistics infrastructure including rail sidings for cargo and container movement, rail side warehouses, Inland Container Depot (ICD), Cold Storage, food grains warehouse, development of common facilities, marketing of the same to potential customers along with operation and maintenance thereof estimating the Project Cost outlay at approximately ₹ 147 Crore.

The said Project is executed through a Special Purpose Vehicle named "Kesar Multimodal Logistics Limited" (KMLL), the shareholding of which is held jointly by the Company and KEL. KMLL had entered into a Concession Agreement with the Mandi Board for the said Project.

The Company being into implementation stage of its projects at Pipavav - Gujarat, Kakinada - Andhra Pradesh, Proposed expansion of its Terminals at Kandla - Gujarat and the Composite Logistics Hub Project at Madhya Pradesh, the Board recommends passing of the below mentioned items.

Item No. 1

According to Section 192A and 293(1)(a) of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, approval of the shareholders by way of an Ordinary Resolution through Postal Ballot is required for sale, lease or otherwise disposal of the whole or substantially the whole of an undertaking of the Company.

Taking into consideration the funding of its existing business operations (including the project awarded by Mandi Board for Setting up of Composite Logistics Hub at Pawarkheda, District Hoshangabad, Madhya Pradesh with its Consortium Member KEL carried out through a Special Purpose Vehicle named "Kesar Multimodal Logistics Limited") and future growth plans of the Company it would necessitate authorizing the Board of Directors to borrow money which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves but not exceeding ₹ 400 Crore (Rupees Four Hundred Crore only).

These borrowings of the Company are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and / or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s) including the following as on date:

- 1) Term loan from Allahabad Bank amounting to ₹ 12 Crore [as stands reduced to ₹ 4.30 Crore as on 31.1.2012] secured by way of First Hypothecation charge on all Plant and Machinery and Current Assets both present and future of erstwhile Storage & Handling of KEL at Kandla (Terminal 2) transferred to the Company pursuant to the Scheme of Arrangement

for Demerger approved by the Hon'ble High Court, Bombay. This borrowing may be required to be secured by suitable mortgage or charge on all or any of the movable and / or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with Allahabad Bank. The present outstanding amount of the Term Loan as on 31.1.2012 is ₹ 4.30 Crore (Rupees Four Crore Thirty Lakh only).

- 2) Charge created / to be created in favour of IOB to secure their Performance Guarantee amounting to ₹ 7 crore on behalf of Kesar Multimodal Logistics Limited for a period of 4 years.

Further, upon occurrence of default, if any, under the relevant loan / facility agreements and other documents as may be executed by the Company with the lender(s), the lender(s) would have certain rights in respect of the Company's assets, moveable and immoveable properties including the rights of sale / disposal thereof. Creation of charge(s) as aforesaid and their enforcement as Company's lenders on occurrence of default, if any, may amount to a sale / disposal of the whole or substantially the whole of the undertaking of the Company.

The Board recommends the passing of this Ordinary Resolution in the interest of the Company.

None of the Directors is, in any way interested or concerned in the passing of the said resolution.

Item No. 2

Presently, the Board of Directors of the Company have been authorized to borrow upto an amount of ₹ 200 Crore (Rupees Two Hundred Crore only). The current borrowing of the Company pursuant to Section 293(1)(d) of the Companies Act, 1956 as on 31.1.2012 stands at ₹ 4.30 Crore (Rupees Four Crore Thirty Lakh only). The Company being in an expansion phase for implementation of its various projects and considering increase in operations, it is envisaged that the Company may need to borrow amount which may exceed the above said limit of ₹ 200 Crore (Rupees Two Hundred Crore only). It is, therefore, proposed to increase the borrowing powers of the Company from existing ₹ 200 Crore (Rupees Two Hundred Crore only) to ₹ 400 Crore (Rupees Four Hundred Crore only).

Under Section 293(1)(d) of the Companies Act, 1956 for borrowings of more than paid up capital and free reserves, the approval of shareholders is required.

The Board recommends the passing of this Ordinary Resolution in the interest of the Company.

None of the Directors is, in any way interested or concerned in the passing of the said resolution.

Item No. 3

KMLL had signed a Concession Agreement with the Mandi Board for setting up a "Composite Logistics Hub" at Pawarkheda, District Hoshangabad, Madhya Pradesh. These Infrastructure facilities being of a capital intensive nature, capital infusion is required to fund this Project. As a measure of achieving greater financial flexibility and facilitate timely execution of this Project, it is proposed that the Board of Directors be authorized to invest upto ₹ 50 Crore (Rupees Fifty Crore) in KMLL by way of subscription and / or purchase of equity / equity related securities and / or debentures, grant of loan, guarantee and / or providing of security from time to time.

As per the provisions of Section 372A of the Companies Act, 1956 the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed limits of –

- i) Sixty percent of the aggregate of the paid up capital and free reserves,
Or
ii) One hundred percent of its free reserves,

whichever is more, if, a special resolution is passed by the shareholders of the lending Company.

Hence, it is necessary to obtain approval for the same from the Members by passing a Special Resolution. The funds required for the investment will be sourced through internal accruals, equity proceeds and / or borrowings.

Your approval is sought by voting by postal ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read along with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011.

The Board recommends the passing of this Special Resolution in the interest of the Company.

None of the Directors except the Promoter Directors i.e. Shri H. R. Kilachand and Smt. Madhavi Kilachand and Independent / Nominee Director/s Shri A. S. Ruia, Shri K. Kannan and Shri J. N. Godbole are, in any way interested or concerned in the passing of the said resolution.

The said Notice of Postal Ballot and Form have been placed on the Company's website which is www.kesarinfra.com for the perusal of the members/shareholders.

Registered Office:

Oriental House,
7, Jamshedji Tata Road,
Churchgate,
Mumbai – 400 020

By Order of the Board of Directors
For Kesar Terminals & Infrastructure Limited

Bhautesh Shah
Company Secretary

2nd February, 2012