



POSTAL BALLOT NOTICE

Pursuant to Section 192A of the Companies Act, 1956

To the Shareholders

NOTICE is hereby given pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 (hereinafter referred to as the "Rules"), for the consent of the Members of Kesar Terminals & Infrastructure Limited (hereinafter referred to as the "Company") to the resolutions mentioned below, which are proposed to be passed by Postal Ballot. The Explanatory Statement pertaining to the said resolutions setting out the material facts and reasons thereof is annexed hereto for your consideration. The Postal Ballot Form is also annexed to this Notice for the purpose of exercising the votes in respect of the following resolutions.

The Members may please note that the voting of the resolutions as contained in this Notice will be made through Postal Ballot only and the Company has not appointed any agency for electronic voting in this regard.

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 in continuation of and in addition to the Resolution passed through Postal Ballot on 29th March, 2012 and in pursuance 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 and / or hypothecation, in addition to the mortgages and / or charges and / or hypothecations 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. 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 Resolutions as **Special Resolution**:

"RESOLVED THAT in partial modification of the earlier Special Resolution passed by the Members through Postal Ballot process on 29th March, 2012 and in pursuance 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 the 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) in one or more tranches 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 Rs.160 crore (Rupees One Hundred and Sixty crore only)" including the investment(s) / loan(s) / guarantee(s) / security(ies) given / to be given by the Company to other parties."

"RESOLVED FURTHER THAT pursuant to provisions of Section 372A and other applicable provisions of the Companies Act, 1956 read along with Companies (Passing of Resolution by Postal Ballot) Rules, 2011, a Corporate Guarantee dated 11.10.2012 given by the Company to Dena Bank / UCO Bank / Allahabad Bank to secure repayment of the Term Loan of Rs.108.11 crore [Rs.58.11 crore + Rs.25 crore + Rs.25 crore] being availed by Kesar Multimodal Logistics Limited (KMLL) and the resolution of the Board of Directors passed for authorising, inter alia, issue of the Corporate Guarantee be and is hereby confirmed."

"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 any 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, and also to settle any question or difficulty that may arise in regard to this and further to do and perform all such acts matters, deeds and things as may be necessary without further referring to the members of the Company, including finalizing and executing agreements, deeds and such other documents and writings as may be necessary or expedient in its own discretion and in the best interest of the Company as may, deem appropriate for the purpose of giving effect to this resolution."

Registered Office:

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

23rd January, 2013

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

Bhautesh Shah
Company Secretary

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 23.1.2013 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 / Airmail to all the Members, whose names would appear in the Register of Members / Record of Depositories as on Friday, the 25th January, 2013.
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 6.3.2013 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
5. The Scrutinizer will submit her report to the Chairman of the Company after completion of the scrutiny and the results of postal ballot will be announced on 7.3.2013 at the Registered Office of the Company at 4:00 p.m. The results will also be displayed on the Company's website viz. www.kesarinfra.com
6. 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.
7. 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 6.3.2013.

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

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.

The proposed Ordinary Resolution is in continuation of the Ordinary Resolution passed by the Members through Postal Ballot Process on 29.3.2012.

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 Kesar Enterprises Limited [KEL] carried out through a Special Purpose Vehicle named "Kesar Multimodal Logistics Limited") and future growth plans of the Company the Shareholders vide Postal Ballot Result dated 29.3.2012 had authorized the Board of Directors to borrow money exceeding at any time the aggregate of the paid-up capital of the Company and its free reserves but not exceeding Rs.400 Crore (Rupees Four Hundred Crore only) being the limit approved under Section 293(1)(d) of the Companies Act, 1956.

The Company has repaid in full the outstanding Term Loan amount of Rs.2.27 crore of Allahabad Bank on 15.10.2012. Further, it has also got released the Performance Guarantee amounting to Rs.7 crore from Indian Overseas Bank, which was given by the Company on behalf of KMLL for the Mandi Board Project at Pawarkheda, Madhya Pradesh. The Company has got the relevant charge released on its assets from both of these Banks.

The Company has taken Term Loan from YES Bank as mentioned below:

1) Term loan from YES Bank amounting to Rs.30 crore secured by way of Exclusive charge on all:

- a) tanks and movable fixed assets of the Company at Kandla Terminals 1 & 2;
- b) Current Assets of the Kandla Terminal business of the Company; and
- c) Insurance Policies for Kandla Terminals in the name of the Company.

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 aforesaid charge created by the Company.

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 immovable 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 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.

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

The proposed Special Resolution is in partial modification of the Special Resolution passed by the Members through Postal Ballot Process the Result of which was announced on 29.3.2012.

You are aware that Kesar Multimodal Logistics Limited (KMLL), a Special Purpose Vehicle (Company), was formed by the Consortium of the Company as the Lead Member and Kesar Enterprises Limited (KEL) as the Member, to set up a "Composite Logistics Hub" at Pawarkheda, District Hoshangabad, Madhya Pradesh on Design, Build, Finance, Operate and Transfer (DBFOT) basis through Public Private Participation (PPP) at an estimated cost of Rs.150 crore. On 24.10.2011, KMLL had signed a Concession Agreement with Mandi Board for the same. The Project has been funded partly by loans from the Banks to KMLL and partly by the Consortium Members in the form of investment in Equity Share Capital of KMLL of not less than 5% of the Project cost of Rs.138 crore as estimated by the Mandi Board, by each Member, which comes to approximately Rs.7 crore. The Company being the Lead Member of KMLL, it has to arrange for the major portion of the required fund for KMLL. In fact, the Company had advanced / spent till date about Rs.11 crore for the Project on behalf of KMLL, out of which Rs.4.70 crore has been adjusted by KMLL by allotting 47,00,000 Equity Shares of Rs.10/- each. In view of the same, the % shareholding of the Company along with its Nominees in the Equity Share Capital of KMLL has increased above 50% resulting into a relationship of Holding - Subsidiary between the Company & KMLL. Whereas 25,000 Equity Shares of Rs.10/- each of KMLL is held by KEL along with its Nominees.

Dena Bank / UCO Bank / Allahabad Bank (Consortium Bankers), has extended Term Loan facilities to KMLL for an amount of Rs.108.11 crore [Rs.58.11 crore + Rs.25 crore + Rs.25 crore] respectively. As per one of the condition of the Term Loan extended by the Consortium Bankers, the Company [KTIL] being the Holding Company and the Lead Member of the Project, it had to provide a Corporate Guarantee on behalf of KMLL for an amount of Rs.108.11 crore, which was entered into by the Company with the Consortium Bankers vide Corporate Guarantee dated 11.10.2012 to achieve the financial closure for the Composite Logistics Hub Project as per the agreement entered into between the Mandi Board and KMLL and to enable the disbursement of the loan for the timely execution of the Project. Section 372A of the Companies Act, 1956 allows Company to issue such Corporate Guarantee, subject to the same being ratified in a general meeting / by way of postal ballot in case of a Listed Company within 12 months after passing of the Board Resolution authorising to give such guarantees. Accordingly, the Corporate Guarantee is being placed for ratification of the Members.

The Infrastructure facilities of the Project are of a capital intensive nature. As a measure of achieving greater financial flexibility and to facilitate timely execution of this Project, it is proposed that the Board of Directors be authorized upto Rs.160 crore 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 on date, the Company has made loan / given guarantee / provided security / purchased shares of other Body Corporate (including KMLL) aggregating to about Rs.119.23 crore. Further, it has also got released the Performance Guarantee amounting to Rs.7 crore from Indian Overseas Bank [IOB], which was given by the Company on behalf of KMLL for the Mandi Board Project at Pawarkheda, Madhya Pradesh. The Company has got the relevant charge released on its assets from IOB.

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) 60% of the aggregate of the paid up capital and free reserves; Or
- ii) 100% 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

23rd January, 2013

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

Bhautesh Shah
Company Secretary