

Essar Ports Limited

Essar House
11 K. K. Marg
Mahalaxmi
Mumbai - 400 034
India

Corporate Identity Number
L85110GJ1975PLC054824

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www.essar.com

October 11, 2014

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001 (Stock code - 500630)

National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051 (Stock code - ESSARPORTS)

Sub: Outcome of the Meeting of the Board of Directors (the “Board”) of Essar Ports Limited (the “Company”) held on October 11, 2014 and the intimation of proposed voluntary delisting of the equity shares (the “Equity Shares”) of the Company

We refer to our letter dated October 10, 2014 regarding convening a meeting of the Board on October 11, 2014 to consider the delisting proposal received from Essar Shipping & Logistics Limited (“ESLL”) based on the letter received by the Company from ESLL informing the Board about their proposal to voluntarily delist the Equity Shares of the Company currently listed on the BSE Limited and the National Stock Exchange of India Limited (NSE) in accordance with Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the “SEBI Delisting Regulations”) by acquiring 10,71,06,857 Equity Shares of the Company representing 25.03% of the Company’s Equity Shares held by the public shareholders of the Company i.e. shareholders other than ESLL and other promoter group entities being Essar Projects India Limited, Essar Steel India Limited, Imperial Consultants and Securities Private Limited and Essar Global Fund Limited (the “Delisting Proposal”).

In view of the above, the Board at its meeting held on October 11, 2014 has approved the following:

- i. To take on record the aforementioned letter received from ESLL with respect to the Delisting Proposal;
- ii. To consent to the Delisting Proposal pursuant to and in accordance with Regulation 8(1)(a) of the SEBI Delisting Regulations; and



- iii. To seek the consent of the shareholders of the Company for the Delisting Proposal by way of a Postal Ballot and e-voting in accordance with the provisions of Section 110 of the Companies Act, 2013, the applicable rules under the Companies Act, 2013, Clause 35B of the equity listing agreement and the SEBI Delisting Regulations.

This letter serves as a notice in terms of Clause 22 and Clause 36 of the Listing Agreement.

Please note that the trading window is currently closed from October 1, 2014 for the purpose of the financial results for the quarter and half year ended September 30, 2014.

We request you to take note of the above and acknowledge receipt of this letter.

Thanking you

Yours faithfully
For Essar Ports Limited



Company Secretary

- c.c.: 1. National Securities Depository Limited
2. Central Depository Services (India) Limited

October 10, 2014

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001 (Stock code - 500630)

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National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051 (Stock Code - ESSARPORTS)

Dear Sirs,

Sub: Meeting of the Board of Directors (the “Board”) of Essar Ports Limited (the “Company”) to be held on October 11, 2014 to consider the letter received from Essar Shipping & Logistics Limited for the proposal for voluntary delisting of the equity shares (the “Equity Shares”) of the Company

We are in receipt of a letter dated October 10, 2014 from Essar Shipping & Logistics Limited (the “Promoter”) (a copy of which is enclosed herewith) informing the Company of their intention to voluntarily delist the Equity Shares of the Company currently listed on BSE Limited and National Stock Exchange of India Limited in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the “Delisting Regulations”) by acquiring the Equity Shares of the Company from the public shareholders i.e. Promoter and other promoter group entities being Essar Projects India Limited, Essar Steel India Limited, Imperial Consultants And Securities Private Limited and Essar Global Fund Limited (the “Delisting Proposal”). Currently, the Company’s public shareholders (as described above) hold 10,71,06,857 Equity Shares of the Company which constitutes 25.03% of the Equity Shares of the Company (“Delisting Proposal”).

Vide the said letter the Promoter has requested the Board to consider and approve the Delisting Proposal and also seek the requisite approval for the Delisting Proposal from the equity shareholders of the Company through postal ballot in accordance with the provisions of Section 110 of the Companies Act, 2013, applicable rules of the Companies (Management and Administration) Rules, 2014 relating to passing of resolutions by postal ballot and Clause 35B of the equity listing agreement entered into by the Company with the Stock Exchanges and the Delisting Regulations.



In view of the above, a meeting of the Board of Directors has been scheduled on October 11, 2014 to consider the Delisting Proposal and matters incidental thereto.

We request you to take note of the same and acknowledge receipt of this letter.

Thanking you,

Yours faithfully
FOR ESSAR PORTS LIMITED



MANOJ CONTRACTOR
COMPANY SECRETARY



Copy to :

National Securities Depository Limited
4th Floor – 'A' Wing
Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Fax: 6660 8035

Central Depository Services (India) Ltd
Phiroze Jeejeebhoy Towers (16th Floor)
P J Towers,
Dalal Street
Mumbai 400 0023



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OUR REF: ESLL/RD405/1014

Date: October 10, 2014

The Chairman,
Essar Ports Limited
Essar House,
11 K. K. Marg, Opp. Race Course,
Mahalaxmi
Mumbai - 400034

Dear Sir

Re: (1) Expression of interest to make a delisting offer to the public shareholders of Essar Ports Limited (the "**Company**") in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the "**SEBI Delisting Regulations**") for the voluntary delisting of the equity shares of the Company from all recognized stock exchanges (the "**Delisting Proposal**"); and

(2) Requisition Notice seeking the approval of the Delisting Proposal by the Board of Directors of the Company (the "**Board**") and the equity shareholders of the Company.

As part of the Delisting Proposal (the details of which are set out hereunder), Essar Shipping & Logistics Limited, a company incorporated under the laws of Cyprus ("**ESLL**"), being a promoter of the Company and currently holding 261,697,688 equity shares of the Company representing 61.16% of the issued equity capital of the Company, hereby:

- a) offers to purchase all of the equity shares of the Company, in accordance with the SEBI Delisting Regulations, (the "**Delisting Offer**") held by the Company's public shareholders (the "**Public Shareholders**"), who are shareholders other than the ESLL and other promoter group entities. Currently, the other promoters of the Company are Essar Projects India Limited (holding 56,397,000 equity shares of the Company representing 13.18% of the issued equity capital of the Company), Essar Steel India Limited (holding 2,547,223 equity shares of the Company representing 0.60% of the issued equity capital of the Company), Imperial Consultants and Securities Private Limited (holding 139,164 equity shares of the Company representing 0.03% of the issued equity capital of the Company) and Essar Global Fund Limited (holding 66 equity shares of the Company) [collectively with ESLL, the "**Promoter Group**"]. The Promoter Group collectively holds 320,781,141 equity shares issued by the Company, representing 74.97% of the issued equity capital of the Company. The Public Shareholders hold 107,106,857 equity shares of the Company (the "**Public Shareholders' Shares**") constituting 25.03% of the issued equity shares of the Company calculated in the manner set out in Clause 35 of the equity listing agreement between the Company and each of the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**") (the NSE, and together with the BSE, the "**Stock Exchanges**"); and
- b) upon the successful completion of the Delisting Offer, proposes to voluntarily delist the equity shares of the Company from the Stock Exchanges in accordance with the provisions of the SEBI Delisting Regulations.

The Delisting Proposal, if successful, would provide an attractive exit opportunity to the Public Shareholders of the Company. The price at which the equity shares will be acquired from the Public Shareholders of the Company under the Delisting Offer will be determined in accordance with the SEBI Delisting Regulations.

1. Rationale for the Delisting Proposal

- 1.1. ESLL believes that the delisting of the shares of the Company from the Stock Exchanges would provide the Promoter Group increased flexibility to support the business and financial needs of the Company and enable them to optimally fund the growth initiatives of the Company.
- 1.2. ESLL believes that the Delisting Offer is in the interest of the Public Shareholders of the Company as it will provide them with an exit opportunity from the Company at a price determined by them in accordance with the RBB Mechanism.

Accordingly, ESLL (being a Promoter of the Company) proposes to acquire all the equity shares of the Company held by the Company's Public Shareholders in accordance with the SEBI Delisting Regulations and to voluntarily delist the equity shares of the Company from the Stock Exchanges in accordance with the SEBI Delisting Regulations.

2. The Delisting Plan

ESLL proposes to acquire the Public Shareholders' Shares under the Delisting Offer, and subsequently delist the equity shares of the Company from each of the Stock Exchanges. The Delisting Offer shall be in accordance with the process set out below and subject to the following conditions:

- 2.1. the Board of the Company approving the Delisting Proposal;
- 2.2. the equity shareholders of the Company passing a special resolution vide a postal ballot approving the Delisting Proposal, with the number of votes cast by the Public Shareholders approving the Delisting Proposal being at least twice the number of votes against the Delisting Proposal, in accordance with the SEBI Delisting Regulations;
- 2.3. both the BSE and the NSE issuing the appropriate 'in-principle' approvals for the Delisting Offer in accordance with the SEBI Delisting Regulations;
- 2.4. after the receipt of the shareholders' approval and 'in-principle' approvals from the Stock Exchanges as set out above, ESLL will make a formal public announcement of the Delisting Offer in accordance with the provisions of the SEBI Delisting Regulations (the "**Public Announcement**") setting out the process for Public Shareholders to tender their shares and all other relevant matters;
- 2.5. after the Public Announcement, ESLL will dispatch a letter of offer (the "**Letter of Offer**") to the Public Shareholders which will contain details regarding the Delisting Offer set out in the Public Announcement;
- 2.6. all Public Shareholders shall be entitled to tender the Public Shareholders' Shares to ESLL in the Delisting Offer through the reverse book-building mechanism at any time during the bidding period in accordance with the provisions of the SEBI Delisting Regulations;

- 2.7. the Public Shareholders may tender the Public Shareholders' Shares in the Delisting Offer at any price at or above the "floor price" determined in accordance with Regulation 15(2) of the SEBI Delisting Regulations (the "**Floor Price**");
 - 2.8. the price payable by ESLL for the acquisition of the Public Shareholders' Shares from the Public Shareholders will be the price at which the maximum number of shares are tendered by the Public Shareholders pursuant to the reverse book-building mechanism (the "**Discovered Price**") set out in the SEBI Delisting Regulations;
 - 2.9. ESLL shall have the sole discretion to accept or reject the Discovered Price. ESLL shall also have the sole discretion to increase the Discovered Price (the "**Exit Price**") to such a price that would enable the Minimum Tender Condition (defined below) to be met;
 - 2.10. the pre-offer shareholding of the Promoter Group would constitute 74.97% of the equity shares of the Company, calculated in the manner set out in Clause 35 of the equity listing agreement between the Company and the Stock Exchanges. The Delisting Offer will be deemed to be successful only if after the bidding period, the shareholding of the Promoter Group, including the shares accepted through eligible bids up to the Discovered Price/ Exit Price, is equal to or greater than the higher of:
 - o the aggregate percentage of the pre-offer shareholding of the Promoter Group and fifty percent (50%) of the offer size; or
 - o 90% of the issued equity share capital of the Company (the "**Minimum Tender Condition**");
 - 2.11. following the completion of all formalities for a successful Delisting Offer, the Company will make a final application to the Stock Exchanges to delist the equity shares of the Company; and
 - 2.12. any remaining Public Shareholders holding equity shares of the Company after the equity shares are delisted from the Stock Exchanges in accordance with the provisions of the SEBI Delisting Regulations and the Delisting Offer, shall continue to be entitled to transfer their shares to ESLL at the Discovered Price or Exit Price, as the case may be, and ESLL will be required to purchase such shares, up to a period of 1 (one) year from the date of delisting.
3. Conditions for the acquisition of equity shares of the Company under the Delisting Offer

The Delisting Proposal and the acquisition of the equity shares of the Company by ESLL under the Delisting Offer shall be conditional upon:

- 3.1. the acceptance of the Discovered Price or offer of the Exit Price by ESLL, as the case may be;
- 3.2. the satisfaction of the Minimum Tender Condition;
- 3.3. receipt of all regulatory approvals required for the Delisting Proposal under applicable laws; and
- 3.4. such other terms and conditions as may be set out in the Public Announcement or the Letter of Offer.

4. Foreign Currency Convertible Bonds held by ESLL

In addition to holding equity shares of the Company, ESLL also holds foreign currency convertible bonds issued by the Company ("FCCBs") which carry an option to convert into equity shares of the Company. To facilitate the Delisting Proposal, ESLL undertakes to give up its conversion right in respect of the said FCCBs and requests the Company to amend the terms of the FCCBs to make them non-convertible instruments, subject to necessary approvals and processes. Kindly note that all other terms of the FCCBs (including maturity period) would remain unchanged and would continue to be in accordance with applicable laws including applicable RBI regulations.

5. Requisition for Board Approval and Dispatch of Postal Ballot

The SEBI Delisting Regulations require that the Delisting Proposal must be approved by: (i) the Board; and (ii) by a special resolution of the equity shareholders of the Company (in which the number of votes cast by the Public Shareholders in favour of the Delisting Proposal is at least two times the number of votes cast by the Public Shareholders against the Delisting Proposal). Such a resolution needs to be passed through a postal ballot and e-voting in accordance with Section 110 of the Companies Act, 2013 (the "**Companies Act**"), applicable rules of the Companies (Management and Administration) Rules, 2014 relating to passing of resolutions by postal ballot (the "**Postal Ballot Rules**") and Clause 35B of the equity listing agreement entered into by the Company with the Stock Exchanges ("**Clause 35B**").

Accordingly, ESLL requests the Board to: (a) approve the Delisting Proposal; and (b) seek the requisite approval of the Delisting Proposal from the equity shareholders of the Company through a postal ballot and e-voting in accordance with the provisions of Section 110 of the Companies Act, the Postal Ballot Rules, Clause 35B and the SEBI Delisting Regulations.

For and on behalf of
Essar Shipping & Logistics Limited



Assistant secretary and authorised signatory
Name: Ritish DOORBIZ