



ESSAR PORTS LIMITED

Regd. Office: Administrative Building, Essar Refinery Complex, Okha Highway (SH – 25),
Taluka Khambhalia, Dist. Jamnagar - 361305, Gujarat

**POSTAL BALLOT NOTICE PURSUANT TO SECTION 192A OF THE
COMPANIES ACT, 1956**

NOTICE is hereby given to the members of Essar Ports Limited (the "Company") pursuant to Section 192A of the Companies Act, 1956 (the "Companies Act") read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 (the "Postal Ballot Rules") to pass the proposed resolutions set out below by way of Postal Ballot.

The proposed resolutions, explanatory statement setting out the material facts and reasons thereto, a physical postal ballot form, (the "Postal Ballot Form") and a self addressed postage pre-paid envelope (the "Envelope") are being sent to you for your consideration.

The Committee of the Board of the Company has, by its resolution dated March 20, 2014 appointed CS Bhavin Mehta, Partner - MJP Associates, Practicing Company Secretaries as 'scrutinizer' (the "Scrutinizer"), for conducting the postal ballot process in a fair and transparent manner.

In accordance with Clause 35B of the Equity Listing Agreement entered into by the Company with stock exchanges on which its equity shares are listed and provisions of section 192A of the Companies Act, the Company is pleased to provide electronic voting ("e-voting") as an alternative to its members to enable them to cast their votes electronically instead of dispatching the Postal Ballot Forms by post. The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-voting facilities to members of the Company. It may be noted that e-voting is optional. If a member has voted through e-voting facility, he is not required to send the Postal Ballot Form. If a member votes through e-voting facility as well as sends his vote through the Postal Ballot Form, the vote cast through e-voting shall only be considered and voting through Postal Ballot Form shall not be considered by the Scrutinizer.

The e-voting facility is available at the link <https://www.evoting.nsdl.com> till April 25, 2014. Please refer to the instructions given for e-voting at the end of this Notice for the purpose and the manner in which e-voting has to be carried out.

Members opting to vote through the Postal Ballot Form mode are requested to read the instructions printed on the Postal Ballot Form and return the same duly completed, in the enclosed postage pre-paid business reply envelope so as to reach the Scrutinizer on or before the close of working hours i.e., 5:00 p.m. on April 26, 2014. Postal Ballot Forms received after this date and hour are liable to be rejected.

Upon completion of the scrutiny of postal ballots, the Scrutinizer will submit his report to the Director of the Company. The result of the postal ballot shall be announced on Monday, April 28, 2014 at 2.00 p.m. at the Registered Office of the Company at Administrative Building, Essar Refinery Complex, Okha Highway (SH – 25), Taluka, Khambhalia, Dist. Jamnagar - 361305, Gujarat.

The results of the postal ballot will also be displayed at the Company's registered office and the Company's website www.essarports.com besides being communicated to the stock exchanges on which the shares of the Company are listed. The results will also be published in newspapers for information of the members.

The Resolution will be deemed to have been passed on the date of declaration of the results of the Postal Ballot, if approved by requisite majority.

SPECIAL RESOLUTION:

To consider, and if thought fit, to pass the following resolution as a special resolution by way of postal ballot:

"RESOLVED THAT pursuant to Section 372A and other applicable provisions of the Companies Act, 1956 corresponding to Section 186 of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force, approval of the Company be and is hereby accorded for investment in New Coal Terminal Beira, S.A. (NCTB) either directly/through a subsidiary/an intermediate company for an amount not exceeding USD 25,000,000.00 (United States Dollar twenty five million only) or in equivalent other currency in one or more tranches and also for providing a Corporate Guarantee / Security for an amount not exceeding USD 10,000,000.00 (United States Dollars ten million only) or in equivalent other currency on one or more occasions on behalf of NCTB over and above the investments made and guarantees / Securities (Including collateral) provided by the Company as on date."

"RESOLVED FURTHER THAT the Board of Directors (including any committee of the Board of Directors) or any Director(s) or the Company Secretary of the Company, be and are hereby severally authorised to take all such steps and actions and give such directions, as may be necessary for giving effect to and implementing the above resolution."

By Order of the Board

Manoj Contractor
Company Secretary

Mumbai
March 20, 2014

NOTES:

1. The explanatory statement pursuant to Section 173(2) and 192A(2) of the Companies Act (the "Explanatory Statement") setting out the material facts in respect of the resolution proposed in the accompanying notice is annexed hereto.
2. Shareholders have option to vote either through e-voting or through physical mode.
3. Members opting to vote through physical mode are requested to carefully read the instruction printed in the Postal Ballot Form and return the Postal Ballot Form duly completed along with the assent (for) or dissent (against), in the attached Envelope so as to reach the Scrutinizer on or before the close of working hours i.e., 5:00 p.m., on April 26, 2014 to be eligible for being considered, failing which, it will be treated as if no reply has been received from the members. However, e-voting facility will be available only till April 25, 2014.
4. Only a member who is entitled to vote is entitled to exercise his/her vote through the Postal Ballot Form. Voting rights of every member shall be reckoned on the paid-up value of equity shares on the basis of names appearing in the 'Register of Members' or in the records of the depository, as applicable, on the date of dispatch of the Postal Ballot Notice and any recipient of the Postal Ballot Notice to those members whose name does not appear as a member in relation to the equity shares as on the aforesaid date should treat the same as intimation only.
5. A member's voting rights shall be in proportion to his/her share of the paid up equity share capital of the Company.
6. The Scrutinizer will submit his report to the Director of the Company after completion of the scrutiny and the results of the postal ballot voting process will be announced at 2.00 p.m. on Monday, April 28, 2014 at the Registered Office of the Company at Administrative Building, Essar Refinery Complex, Okha Highway (SH - 25), Taluka, Khambhalia, Dist. Jamnagar - 361305, Gujarat. Those members, who wish to be present at the time of declaration of results, may do so at the aforementioned venue.

7. All documents referred to in the accompanying Postal Ballot Notice and the Explanatory Statement (as defined below) are open for inspection at the registered office of the Company on all working days, except Saturdays, Sundays and Bank holidays, between 11 a.m. and 1 p.m. upto the last date for receiving the Postal Ballot Form.
6. The date of dispatch of the Postal Ballot Notice and the Explanatory Statement shall be announced through advertisement in at least one English national daily with wide circulation and one vernacular newspaper having circulation in Gujarat, being the state in which the registered office of the Company is situated.

INSTRUCTIONS FOR E-VOTING

A. In case of Members receiving e-mail from NSDL:

- i. Open the email and open the pdf file: eplevoting.pdf with your Client ID or Folio No. as Password. The said pdf file contains your User ID and Password for e-voting. Please note that the Password is an Initial Password.
- ii. Launch the internet browser by typing the following <https://www.evoting.nsdl.com>.
- iii. Click on "Shareholder-Login:
- iv. Put user ID and Password noted in step (i) above as the initial password. Click login.
- v. If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- vi. Home page of "e-voting" opens. Click on "e-voting" : Active Voting Cycles.
- vii. Select "Electronic Voting Event Number (EVEN) of Essar Ports Limited.
- viii. Now you are ready for "e-voting" as "Cast Vote" Page opens.
- ix. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
- x. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc., together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at : bhavinmehta2001@gmail.com with a copy marked to evoting@nsdl.co.in. You can also forward the documents at the Company's email ID: epl.secretarial@essar.com. Please note that proxies are not allowed to cast their vote through postal ballot.
- xi. Kindly note that members can opt for only one mode of voting i.e. either by Postal Ballot Form or e-voting. In case of receipt of vote by both the modes, voting done through e-voting shall prevail and voting done by Postal Ballot Form shall be treated as invalid.

B. In case of members receiving the Postal Ballot Form by Post:

- a. The initial Password is provided in the table given in the Postal Ballot Form.
 - b. Please follow all the steps from (ii) to (ix) above to cast your vote.
- C.** If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
- D.** In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "downloads" section of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) AND 192A(2) OF THE COMPANIES ACT, 1956

Your Company is one of the largest ports and terminals companies in the private sector in India and implements the projects through Special Purpose Vehicles (SPV's).

Your Company plans to invest in New Coal Terminal Beira S.A. (NCTB), an Essar company, which plans to develop a multi user Coal Terminal at Beira Port, Mozambique (the Terminal) with an initial capacity of 10 million metric tonnes per annum (MMTPA) which may be expanded by further 10 MMTPA in case of availability of cargo (the Project).

The Project is planned to be developed by NCTB, a joint venture between your Company and Port and Rail Authority of Mozambique which is Caminhos de Ferro de Mocambique ('CFM') wherein your Company will hold 70% and CFM will hold the balance 30% stake.

NCTB is in discussions with the Ministry of Transport and Communications (MTC) of Mozambique for the development of the Terminal. MTC has also issued a Letter of Intent granting a long-term Concession (30 years with an option to extend by another 10 years) for the development of this Terminal on DBOOT basis.

The Coal deposits of the Moatize region of Mozambique is calculated to exceed 27.6 billion tons (bt), which is 3% of the World's estimated total Coal reserves of 984 billion tons. The size, quality and a high projected recovery rate (95%) of this deposit has attracted mining giants like Rio Tinto and Vale. Hence, availability of cargo for the Terminal will not be a challenge.

The initial investment in the Project would be around USD 25 million. The Government of Mozambique requires NCTB to furnish a Bank Guarantee which is the Signing and Commencement of Works Guarantee. NCTB is in discussions with various local banks for the issuance of this bank guarantee. However, as collateral, the banks are insisting on a Corporate Guarantee / Security. Hence, it is also proposed to issue a Corporate Guarantee / Security of an amount not exceeding USD 10 million in favour of a bank against the issue of the bank guarantee.

The Project will enhance shareholders value and will give a boost to third party cargo being handled by the Company.

The infusion of equity and granting of the Corporate Guarantee / Security will exceed the limits as prescribed under Section 372A of the Companies Act, 1956 corresponding to Section 186 of the Companies Act, 2013.

Approval of the members is therefore sought by way of a special resolution through Postal Ballot for making investments and issuance of the Corporate Guarantee / Securities in terms of the resolution set out in the accompanying notice.

None of the Directors of your Company may be deemed to be interested in the resolution set out in the accompanying notice.

The Board recommends the resolution forming part of the Postal Ballot Notice for your approval.

By Order of the Board

Mumbai
March 20, 2014

Manoj Contractor
Company Secretary