

**POSTALL BALLOT NOTICE****Pursuant to Section 192A(2) of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011**

**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 Enterprises 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.

In terms of Section 192A of the Act, a listed company may propose any resolution to be passed through Postal Ballot in accordance with the Rules. In terms of Rule 5 of the Rules, passing of Resolution No.3 below through Postal Ballot is not mandatory. However, to facilitate wider participation in the approval process by the Members of the Company residing at different locations, the Company is seeking approval of the Members through Postal Ballot instead of convening an Extra Ordinary General Meeting.

The Company has appointed Mr. Dharmesh Zaveri, Practicing Company Secretary, Mumbai as a Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. You are requested to read carefully the instructions printed overleaf of the Postal Ballot Form and return the said form duly completed in all respects, in the enclosed self addressed, postage pre-paid envelope, so as to reach the Scrutinizer on or before the close of working hours on Monday, 21<sup>st</sup> day of January, 2013.

The Scrutinizer will submit his report to the Chairman / Director after completion of the scrutiny and the results of the voting by Postal Ballot will be announced by the Chairman / Director or by any such other person as may be authorized by the Chairman on Tuesday, 22<sup>nd</sup> day of January, 2013 at 4:00 p.m. at the Registered Office of the Company.

The Result of the Postal Ballot will be posted on the Company's website: kesarindia.com besides communicating to the Stock Exchanges where the Equity Shares of the Company are listed. The result of the Postal Ballot will also be informed in the ensuing Corporate Governance Report of the Company.

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.

**Special Business:****1. Increase in Authorised Share Capital and alteration to the Memorandum of Association:**

To consider and, if thought fit, to give assent or dissent to the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Sections 16, 94 and other applicable provisions of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 18,00,00,000/- (Rupees Eighteen Crore Only) divided into 1,20,00,000 Equity Shares of Rs.10/- each aggregating to Rs.12,00,00,000/- (Rupees Twelve Crore Only) and 60,00,000 Redeemable Preference Shares of Rs.10/- each aggregating to Rs.6,00,00,000/- (Rupees Six Crore Only) to Rs.22,00,00,000/- (Rupees Twenty Two Crore Only) divided into 1,20,00,000 Equity Shares of Rs.10/- each aggregating to Rs.12,00,00,000/- (Rupees Twelve Crore Only) and 1,00,00,000 Redeemable Preference Shares of Rs.10/- each aggregating to Rs.10,00,00,000/- (Rupees Ten Crore Only) and consequently the existing Clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by substituting in place thereof, the following as new Clause V.

V. The Authorised Share Capital of the Company is to Rs.22,00,00,000/- (Rupees Twenty Two Crore Only) divided into 1,20,00,000 Equity Shares of Rs.10/- each aggregating to Rs.12,00,00,000/- (Rupees Twelve Crore Only) and 1,00,00,000 Redeemable Preference Shares of Rs.10/- each aggregating to Rs.10,00,00,000/- (Rupees Ten Crore Only).”

**2. Alteration to the Articles of Association:**

To consider and, if thought fit, to give assent or dissent to the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 31 and other applicable provisions of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 18,00,00,000/- (Rupees Eighteen Crore Only) divided into 1,20,00,000 Equity Shares of Rs.10/- each aggregating to Rs.12,00,00,000/- (Rupees Twelve Crore Only) and 60,00,000 Redeemable Preference Shares of Rs.10/- each aggregating to Rs.6,00,00,000/- (Rupees Six Crore Only) to Rs.22,00,00,000/- (Rupees Twenty Two Crore Only) divided into 1,20,00,000 Equity Shares of Rs.10/- each aggregating to

Rs.12,00,00,000/- (Rupees Twelve Crore Only) and 1,00,00,000 Redeemable Preference Shares of Rs.10/- each aggregating to Rs.10,00,00,000/- (Rupees Ten Crore Only) and consequently the existing Article 3 of the Articles of Association of the Company relating to Share Capital be and is hereby altered by substituting in place thereof, the following as new Article 3.

**“Article 3:**

The Authorised Share Capital of the Company is to Rs.22,00,00,000/- (Rupees Twenty Two Crore Only) divided into 1,20,00,000 Equity Shares of Rs.10/- each aggregating to Rs.12,00,00,000/- (Rupees Twelve Crore Only) and 1,00,00,000 Redeemable Preference Shares of Rs.10/- each aggregating to Rs.10,00,00,000/- (Rupees Ten Crore Only) with a power to increase or reduce the capital and to divide and sub-divide shares into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or as provided by the Articles of Association of the Company for the time being.

**3. Preferential issue of Optionally Convertible Preference Shares ("OCPS")**

To consider and, if thought fit, to give assent or dissent to the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 80, 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the **"Companies Act"**) (including any statutory modification or re-enactment thereof for the time being in force), read with the Memorandum of Association and Articles of Association of the Company and the Listing Agreements entered into with the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd., where the Company's Equity Shares are listed, Regulations for Preferential Issue contained in Chapter VII of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 and the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as may be modified or reenacted from time to time (hereinafter referred as **"SEBI Regulations"**) the applicable Rules, Notifications, Regulations issued by the Government of India, Securities and Exchange Board of India (**"SEBI"**) and subject to the approvals, consents, permissions, sanctions of the Stock Exchanges, SEBI or all concerned statutory and other authorities as may be necessary, and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions, the Board of Directors of the Company (hereinafter referred to as **"the Board"**), which term shall be deemed to include any Committee of the Directors for the time being, exercising the power conferred to the Board, be and is hereby authorised on behalf of the Company to create, offer, issue and allot upto 82,35,000 (Eighty Two Lac Thirty Five Thousand) Zero Coupon Optionally Convertible Preference Shares (**"OCPS"**) of Rs.10/- each fully paid-up aggregating upto Rs.8,23,50,000/- convertible into Equity Shares of the Company on terms and conditions mentioned hereinafter in this Resolution to the Promoters / Persons acting in concert with the Promoters as set out hereunder on Preferential basis (hereinafter referred to as the "proposed allottees"), with an option to the proposed allottees to convert, either partially or entire OCPS, in one or more tranches, in one or more financial year."

Sr.	Name	Address	Category	Maximum No. of OCPS proposed to be issued
1	Kesar Corporation Pvt. Ltd.	Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai 400 020	Promoter	7,49,250
2	Duracell Investments and Finance Pvt. Ltd.	Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai 400 020	Person acting in concert with the Promoter	37,65,375
3	Seel Investment Pvt. Ltd.	Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai 400 020	Person acting in concert with the Promoter	37,20,375
			<b>Total</b>	<b>82,35,000</b>

**“RESOLVED FURTHER THAT** OCPS shall be issued by the Company on Preferential basis on the following terms and conditions:

- (i) The proposed allottees may opt, by giving in writing 3 days advance notice to the Company, to convert OCPS, partially or fully, into Equity Shares of Rs.10/- each, within a period of 18 months from the date of allotment of OCPS, in one or more tranches, in one or more financial year, at a price of Rs.45/- each (including securities premium of Rs.35/-) or at a price calculated with respect to the Relevant Date being 21-12-2012 as per Regulation 76 of the SEBI (ICDR) Regulations, 2009, whichever is higher; subject to approval of SEBI under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, if required, against such number of OCPS as may be required for conversion into Equity Shares at above price. In the event of conversion price being more than Rs.45/- per Equity Share, in that case, the Equity shares to be issued on conversion of OCPS shall be rounded off to nearest lower multiple of hundred and the balance amount of OCPS will be included in the next trench of conversion option, and the balance remaining if any after exercise of all the options before the expiry of 18 months, shall be redeemed after a period of 10 years from the date of allotment or earlier at the option of the Company but not earlier than 7 years from the date of allotment.

- (ii) OCPS / Equity shares to be issued on conversion of OCPS, to be issued as above, shall be locked-in for a period as prescribed in the SEBI (ICDR) Regulations. On conversion of any OCPS into Equity Shares, such shares shall also be locked-in for a period of 3 years / 1 year as prescribed under the SEBI (ICDR) Regulations. However, the lock-in period, of such Equity Shares allotted pursuant to the conversion of OCPS issued on Preferential Basis, shall be reduced to the extent OCPS have already been locked-in.
- (iii) The Equity Shares issued on opting for conversion, shall rank pari passu in all respects with the existing Equity Shares of the Company and shall carry the right to receive dividend and other distributions to be declared thereafter during the year, from the date of conversion.
- (iv) The entire amount of consideration payable towards subscription of OCPS shall be appropriated out of the amount already brought-in by the proposed allottees by way of unsecured loan.
- (v) Upon receipt of the conversion notice, the Board/ Committee shall allot appropriate number of Equity Shares to the proposed allottees.
- (vi) In the event of the proposed allottees not opting to convert, OCPS will be redeemed after a period of 10 years from the date of allotment or earlier at the option of the Company but not earlier than 7 years from the date of allotment.
- (vii) OCPS by itself do not give to the proposed allottees any rights of the Equity Shareholders of the Company unless converted into Equity Shares of the Company.
- (viii) The resultant Equity Shares will be subject to Memorandum and Articles of Association of the Company in all respects.”

“**RESOLVED FURTHER THAT** the Relevant Date for the purpose of calculating the minimum price for OCPS under Chapter VII of the SEBI (ICDR) Regulations, 2009 will be 21<sup>st</sup> December, 2012, being the date 30 days prior to the date of passing of this Resolution.”

“**RESOLVED FURTHER THAT** the Equity Shares, if allotted on the conversion of OCPS, shall rank pari passu in all respects with the then existing Equity Shares of the Company with a right to receive dividend and other distributions to be declared thereafter during the year.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors/ Committee thereof be and is hereby authorised, on behalf of the Company, to take all actions and do all such deeds and things as it may, in its absolute discretion, deem necessary, desirable or expedient with respect to the issue or allotment of the aforesaid OCPS and Equity Shares, if allotted upon exercise of rights attached to such OCPS and to list such Equity Shares with the Stock Exchanges, as may be appropriate, and to resolve and settle all questions or difficulties or doubts that may arise in connection with the proposed offer, issue and allotment of the said OCPS and / or Equity Shares, if allotted upon exercise of rights attached to such OCPS and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may, in its absolute discretion, deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate any or all the powers conferred upon it by this Resolution, to any Committee formed thereof, or to any individual so authorised by the Board.”

#### **4 Making Investment, giving Loan / Guarantee or provide Security against a Loan:**

To consider and, if thought fit, to give assent or dissent to the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in partial modification of the earlier Special Resolution passed by the Members through Postal Ballot process, the Results of which was announced on 3<sup>rd</sup> October, 2012, pursuant to the provisions of Section 192A, 292, 372A and other applicable provisions of the Companies Act, 1956 or any amendments or modifications (including any statutory modification or re-enactment thereof for the time being in force) and subject to consent, sanction and approval of and permission as may be necessary in that behalf, 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 in the equity shares, preference shares, debentures (whether convertible or non-convertible) or any other financial instruments of Kesar Multimodal Logistics Limited (KMLL)/ Kesar Terminals & Infrastructure Ltd. (KTIL) 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 / KTIL, 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.125 crore (Rupees One Hundred Twenty Five 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 any loan/ investment/ guarantee/ security including the timing, the amount and other terms and conditions of such loan/ investment/ guarantee/ security 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 and 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.

By Order of the Board

**D J Shah**

Sr. Vice President (Legal)  
& Company Secretary

**14<sup>th</sup> December, 2012**

**NOTES:**

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 read with SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 in respect of the business specified above is annexed hereto.
2. In terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the items of business set out in the Notice above are proposed to be passed by Postal Ballot Process.
3. The Board of Directors has appointed Mr. Dharmesh Zaveri, Practicing Company Secretary, Mumbai as the Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
4. Members are requested to carefully read the instructions printed in the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed pre-paid self addressed envelope directly to the Scrutinizer so as to reach the Scrutinizer on or before the close of working hours on 21<sup>st</sup> January, 2013. Any Postal Ballot Form received after close of working hours on 21<sup>st</sup> January, 2013 shall be treated as if the reply from the Members has not been received.
5. Members 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. The Scrutinizer will submit the report to the Chairman / Director of the Company after completion of scrutiny of the Postal Ballot Forms.
7. The Result of the Postal Ballot will be announced by the Chairman on 22<sup>nd</sup> January, 2013 at the Registered Office of the Company at Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai-400020. The Result will also be published in the newspapers and will be posted on the website of the Company [www.kesarindia.com](http://www.kesarindia.com).
8. The Special Resolutions mentioned above shall be declared as passed if the number of votes cast in its favour is not less than three times the number of votes cast, if any, against the said Resolutions.
9. In the event of all the draft resolutions assented by the requisite majority of the Members of the Company through Postal Ballot process, the date of declaration of results shall be deemed to be the date of passing of the said resolutions.



## EXPLANATORY STATEMENT

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

#### Resolution No. 1 & 2 - Increase in Authorised Share Capital and Alteration in Memorandum and Articles of Association:

Consequent to the proposed resolution for issue of Optionally Convertible Preference Shares (OCPS) as explained in Resolution No.3 hereunder, it is proposed to increase the present Authorised Share Capital of the Company from Rs.18,00,00,000/- to Rs.22,00,00,000/- as set out in the Resolution No. 1 & 2 proposed in the Notice. There is no change in the Authorised Equity Share Capital. There is a need to increase Authorised Preference Share Capital from Rs.6,00,00,000/- to Rs.10,00,00,000/- to enable the Company to issue & allot OCPS to the Promoter / Promoter Group Companies. Hence, the consequential changes are being effected in the capital Clause / Article of the Memorandum and Articles of Association of the Company.

Your Directors, therefore, recommend the resolutions for your approval.

None of the Directors of the Company is concerned or interested in the proposed resolutions.

#### Resolution No.3- Preferential issue of Optionally Convertible Preference Shares ("OCPS")

You are aware that the Company had sought & got the approval of the Members to raise funds in order to enhance financial flexibility of the Company to fund the capital expenditure plans of the Company and/or to part finance expansion/modernization of the sugar factory/ cogeneration projects at Baheri and/or acquisition/ investments in similar facilities to the extent of Rs.50 crore. The Board had constituted a Rights Issue Committee for the same.

You are also aware that recently in November 2012, the Company has announced its audited Annual Accounts for the year ended 30<sup>th</sup> June, 2012. For the year 2011-12, there is a loss of Rs.1,998.50 lac which includes a one-time Exceptional Item relating to the payment of differential cane price of Rs.1,281.54 lac for the Sugar Season 2007-08 as per the Hon'ble Supreme Court Order dated 17.1.2012 as applicable to all sugar mills in Uttar Pradesh. This has resulted in reducing the Net Worth of the Company. Hence, it is necessary for the Company to take immediate steps to improve the Net Worth of the Company.

The present market conditions are not conducive for the Issue of Rights shares. Hence, to meet with the immediate need of the Company to take steps to improve its Net Worth, the Company has decided to consider the Rights Issue at an appropriate time, but to consider first, Issue of Optionally Convertible Preference Shares on Preferential basis to the Promoters / Persons acting in concert with the Promoters as per the SEBI Regulations.

After due deliberation, the Rights Issue Committee has accordingly recommended to the Board.

Your Directors would like to inform you that, till today, the Promoter / Promoter Group Companies have given non-interest bearing unsecured loans amounting to Rs.12,49,00,000/- to the Company as mentioned hereunder, to enable the Company to complete the Cogeneration Power Project as per the requirement of the Lending Bankers. The said project is completed. Till date, the Company has generated power and supplied to the grid, for which, the Company has raised bills amounting to Rs.25 crore approximately.

Sr	Name	Category	Unsecured Loan (Rs.)
1	Kesar Corporation Pvt. Ltd.	Promoter	75,00,000
2	Duracell Investments and Finance Pvt. Ltd.	Person acting in concert with the Promoter	5,87,00,000
3	Seel Investment Pvt. Ltd.	Person acting in concert with the Promoter	5,87,00,000
			12,49,00,000

In view of the above, to strengthen the financial position of the Company and to improve the Net Worth of the Company, it is proposed to issue upto 82,35,000 (Eighty Two Lac Thirty Five Thousand) Zero Coupon Optionally Convertible Preference Shares ("OCPS") of Rs.10/- fully paid-up each aggregating upto Rs.8,23,50,000/- to the proposed allottees, with an option to convert into Equity Shares, either partially or entire OCPS, in one or more tranches, in one or more financial year. The entire amount of consideration payable towards subscription of OCPS shall be appropriated out of the amount already brought-in by the proposed allottees by way of unsecured loan. The proposed allottees have agreed to subscribe for the same.

The proposed allottees may opt, by giving in writing 3 days advance notice to the Company, to convert OCPS, partially or fully, into Equity Shares of Rs.10/- each within a period of 18 months from the date of allotment of OCPS, in one or more tranches, in one or more financial year, at a price of Rs.45/- each (including securities premium of Rs.35/-) or at a price calculated with respect to the Relevant Date being 21.12.2012 as per Regulation 76 of the SEBI (ICDR) Regulations, 2009, whichever is higher; subject to approval of SEBI under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, if required, against such number of OCPS as may be required for conversion into Equity Shares at above price. In the event of conversion price being more than Rs.45/- per Equity Share, in that case, the Equity shares to be issued on conversion of OCPS shall be rounded off to nearest lower multiple of hundred and the balance amount of OCPS will be included in the next trench of conversion option, and the balance remaining if any after exercise of all the options on expiry of 18 months shall be redeemed after a period of 10 years from the date of allotment or earlier at the option of the Company but not earlier than 7 years from the date of allotment.

**The disclosures pursuant to Regulation 73(1) of the SEBI (ICDR) Regulations, 2009 are given hereunder:**

**Objects of the Preferential Issue**

To strengthen the financial position of the Company and to improve the Net Worth of the Company as explained above.

**Proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer**

The proposed allottees, who have consented to subscribe, are the constituents of the Promoter/ Promoter Group and Persons acting in Concert with the Promoters as mentioned above. No Director or Key Management Personnel of the Company intends to subscribe to the Zero Coupon Optionally Convertible Preference Shares.

**Identity of the Proposed Allottees**

<b>Sr</b>	<b>Name and Address</b>	<b>Category</b>	<b>Present Shareholding</b>	<b>* Post-conversion Shareholding</b>
1	Kesar Corporation Pvt. Ltd Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai 400 020	Promoter	20,54,422 (30.256%)	22,20,922 (25.764%)
2	Duracell Investments and Finance Pvt. Ltd. Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai 400 020	Person acting in concert with the Promoter	1,43,200 (2.109%)	9,79,950 (11.368%)
3	Seel Investment Pvt. Ltd. Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai 400 020	Person acting in concert with the Promoter	76,479 (1.126%)	9,03,229 (10.478%)

\* Assuming all OCPS are converted, in more than one financial year, but within a period of 18 months of the date of allotment.

**Consequential changes, if any, in the Management Control of the Company**

The proposed preferential allotment shall not result in any change in Management Control of the Company even on exercising the entire conversion of OCPS.

**Relevant date:**

In the present case, the relevant date is 21<sup>st</sup> December, 2012 being 30 days prior to the date of passing of the Special Resolution by the Shareholders through Postal Ballot process, the result of which will be announced on 22<sup>nd</sup> January, 2013..

**Lock - in period**

The entire pre-preferential allotment shareholding of the above mentioned proposed allottees shall be under lock-in from the relevant date till the completion of the period of 6 months from the date of preferential allotment. The proposed allottees have declared that they have not sold any shares during the 6 months period prior to relevant date of the proposed preferential issue.

OCPS / Equity Shares issued on conversion of OCPS shall be subject to lock-in for three (3) years / one (1) year from the date of allotment in accordance with SEBI (ICDR) Regulations, 2009. The lock-in of the Equity Shares acquired by conversion of the Convertible Preference Shares shall be reduced to the extent the Convertible Preference Shares have already been locked in from the date of allotment thereof.

The locked-in shares may be transferred to and amongst the promoter / promoter group or to a new promoter/s or person/s in control of the Company, subject to continuation of lock-in in the hands of transferee/s for the remaining period as per the compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, as applicable.

**Proposed time limit within which the allotment shall be completed**

The allotment of such preferential issue of OCPS shall be completed within a period of 15 days either from the date of passing of the Special Resolution or from the date of receipt of the approvals from the Stock Exchanges or SEBI, wherever necessary.

**Auditors Certificate**

The Statutory Auditors of the Company shall certify that the Preferential Issue is being made as per SEBI Regulations. A copy of the certificate obtained from M/s Haribhakti & Co., Chartered Accountants, certifying that the issue of OCPS is being made in accordance with the requirement of SEBI Regulations for preferential issue, shall be placed at the Registered Office of the Company between 2:00 pm and 4:00 pm for inspection on any working day after relevant date upto the last day of voting under the Postal Ballot.

## Shareholding Pattern of the Company before and after Preferential Issue

Considering upto 18,30,000 Equity Shares (assuming OCPS are converted at Rs.45/- per Equity Shares) arising on exercising the conversion right by the proposed allottees in respect of the entire OCPS, the shareholding pattern giving pre-conversion and post-conversion position may be as under, subject however to change, if the conversion price is above Rs. 45/- per equity share:

(A)	Category of Shareholder and Promoter Group	Total Holders	Pre Conversion Holdings		* Post Conversion Holdings	
			Total Shares	%	Total Shares	%
<b>1</b>	<b>Indian</b>					
a	Individual HUF	15	1250384	18.415	1250384	14.505
b	Central/State Gov					
c	Bodies Corporates	5	2516517	37.061	4346517	50.423
d	Fins / Banks					
e	Any Other specify					
	<b>Sub Total (A)(1)</b>	<b>20</b>	<b>3766901</b>	<b>55.476</b>	<b>5596901</b>	<b>64.928</b>
<b>2</b>	<b>Foreign</b>					
a	Indv NRI/For Ind					
b	Bodies Corporate					
c	Institutions					
d	Qualified For.Inv.					
e	Any Other Specify					
	Sub Total (A)(2)	0	0	0.000	0	0.000
	<b>Total (A) = (A)(1) + (A)(2)</b>	<b>20</b>	<b>3766901</b>	<b>55.476</b>	<b>5596901</b>	<b>64.928</b>
<b>(B)</b>	<b>Public shareholding</b>					
1	Institutions					
a	Mutual Funds	2	1200	0.018	1200	0.014
b	Fins / Banks	6	1090	0.016	1090	0.013
c	Central/State Govt					
d	Venture Cap Fund					
e	Insurance Comp(s)	2	692772	10.203	692772	8.037
f	Foreign Ins Invest					
g	Foreign Ven Cap In					
h	Qualified For.Inv.					
i	Any Other -Specify					
	<b>Sub Total (B)(1)</b>	<b>10</b>	<b>695062</b>	<b>10.236</b>	<b>695062</b>	<b>8.063</b>
<b>(B)2</b>	<b>Non-institutions</b>					
a	Bodies Corporates	111	390406	5.750	390406	4.529
b	Individuals					
	i) upto Rs 1-Lac	5027	1359067	20.015	1359067	15.766
	ii) above Rs1-Lac	13	475132	6.997	475132	5.512
c	Qualified For.Inv.					
d	Any Other -Clr-Mem	7	4123	0.061	4123	0.048
	-OCB					
	-NRI	42	99471	1.465	99471	1.154
	<b>Sub Total (B)(2)</b>	<b>5200</b>	<b>2328199</b>	<b>34.288</b>	<b>2328199</b>	<b>27.009</b>
	<b>Total (B) = (B)(1) + (B)(2)</b>	<b>5210</b>	<b>3023261</b>	<b>44.524</b>	<b>3023261</b>	<b>35.072</b>
	<b>TOTAL (A) + (B)</b>	<b>5230</b>	<b>6790162</b>	<b>100.000</b>	<b>8620162</b>	<b>100.000</b>

\* Assuming all OCPS are converted, in more than one financial year, but within a period of 18 months of the date of allotment.

### Undertaking

In terms of SEBI (ICDR) Regulations, 2009, the Company hereby undertakes that :

- the Company shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so;

- if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

The Board recommends the Special Resolution as proposed in the accompanying Notice for your approval.

None of the Directors of the Company, except Shri H R Kilachand and Smt. M H Kilachand, is concerned or interested in the proposed Special Resolution to the extent of the existing shareholding and fresh Equity Shares to be issued and allotted to their Group Companies.

#### **Resolution No.4 - Making Investment, giving Loan / Guarantee or provide Security:**

The proposed Special Resolution is in partial modification of the Special Resolution passed by the Members through the Postal Ballot process, the Result of which was announced on 3.10.2012.

Kesar Multimodal Logistics Limited (KMLL), a Special Purpose Vehicle (Company), was formed by the Consortium of Kesar Terminals & Infrastructure Limited (KTIL) as the Lead Member and the Company 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 / to be 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. However, the Lead Member i.e. KTIL will arrange for the major portion of the required fund for KMLL. In fact, KTIL 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 KTIL along with its Nominees in the equity share capital of KMLL has increased above 50% resulting into a relationship of Holding - Subsidiary between KTIL & KMLL. Whereas 25,000 equity shares of Rs.10/- each of KMLL is held by the Company along with its Nominees.

The Infrastructure facilities of the Project are of a capital intensive nature. 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 accommodate KMLL / KTIL upto Rs.125 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 per provisions of Section 372A of the Companies Act, 1956, the Company cannot either directly or indirectly:

- a) make any loan to any other body corporate;
- b) give any guarantee, or provide security; and
- c) acquire, by way of subscription, purchase or otherwise the shares of any other body corporate; exceeding 60% of its paid-up share capital and free reserves, or 100% of its free reserves, whichever is more:

Provided that where the aggregate of the loans and investments so far made by the Company, the amounts for which guarantee or security so far provided to or in all other bodies corporate, along with the investment, loan, guarantee or security proposed to be made or given by the Board, exceeds the aforesaid limits, no investment or loan shall be made or guarantee shall be given or security shall be provided unless previously authorised by a special resolution passed through a Postal Ballot process. As on day, the Company has made loan / given guarantee / provided security / purchased shares of other body corporate aggregating to Rs.50.60 crore.

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.

The Board recommends passing of this Special Resolution in the interest of the Company as set out in the Notice seeking the approval of the Members. 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.

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

#### **Registered Office:**

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

By Order of the Board

**D J Shah**  
Sr. Vice President (Legal)  
& Company Secretary

**14th December, 2012**



**POSTAL BALLOT FORM**

(To be returned to the Company)

Sr. No.:

1. Name and Address :  
of Sole/First name  
of Shareholder
2. Name of the Joint holder(s) :  
if any
3. Registered Folio No./ :  
DP ID No./ Client ID\*  
(\*Applicable to investors  
holding shares in  
dematerialised form)
4. Number of Shares held :
5. I/We hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot for the business stated in the Notice of the Company dated 14th December, 2012 by sending my / our assent or dissent to the said resolution by placing tick (✓) mark at the appropriate box below.

Description	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<b>Resolution No.1:</b> Ordinary Resolution to increase the Authorised Share Capital from Rs.18 crore to Rs.22 crore and to amend Clause V of the Memorandum of Association.			
<b>Resolution No.2:</b> Special Resolution under Section 31 of the Companies Act, 1956, to alter Article 3 of the Articles of Association to increase the Authorised Share Capital from Rs.18 crore to Rs.22 crore.			
<b>Resolution No.3:</b> Special Resolution under Section 81(1A) of the Companies Act, 1956 for further Issue of securities as mentioned in the resolution.			
<b>Resolution No.4:</b> Special Resolution under Section 372A of the Companies Act, 1956 to make Investments, give loan / guarantee or provide security against a loan as mentioned in the resolution.			

Place :

Date :

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**(Signature of the Shareholder)****NOTE: Last date for receipt of Postal Ballot Form by the Scrutinizer is 21.1.2013**

## **INSTRUCTIONS**

1. A Member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Company in the attached self-addressed envelope. Postage will be borne and paid for by the Company. However, envelopes containing Postal Ballots, if sent by courier at the expense of the Registered Member or if deposited in person with the Company will also be accepted.
2. The self-addressed envelope bears the address of the scrutinizer.
3. This Form should be completed and signed by the Shareholder. In case of joint holding, this form should be completed and signed by the First named Shareholder and in his / her absence, by the next named Shareholder (as per the specimen signature registered / recorded with the Company / DP).
4. In case of shares held by Companies, Trusts, Societies etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution / Authority to the person voting on the Postal Ballot Form.
5. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on 21<sup>st</sup> January, 2013. All Postal Ballot Forms received after the above date will be strictly treated as if reply / Postal Ballot from such Shareholders have not been received.
6. The right of voting by Postal Ballot shall not be exercised by a proxy.
7. Unsigned or incorrect Postal Ballot Forms will be rejected.
8. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Shareholders on the date of the Notice of the Postal Ballot.
9. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage pre-paid envelopes, as all such envelopes will be sent to the Scrutinizer. Any extraneous paper found in such envelope would be destroyed by the Scrutinizer and the Company would not be able to act on the same.
10. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final.
11. Assent or dissent to the proposed resolutions may be recorded by placing a tick mark (✓) in the appropriate column.
12. The date of declaration of results of the Postal Ballot shall be the date on which the resolutions would be deemed to have been passed.
13. There will be one Postal Ballot Form for every Folio / Client ID irrespective of the number of joint holders.
14. A Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the specified date hereinbefore. Once duplicate Postal Ballot Form is received, the original will be rejected.