

HARIYANA SHIP-BREAKERS LIMITED

Regd. Office: 156 Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021CIN: L61100MH1981PLC024774 Web: www.hariyanagroup.com, Email: hsbl@vsnl.comTel: 022 22043211 Fax 022 22043215

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with the Companies
(Management & Administration) Rules, 2014

Dear Member(s)

NOTICE is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act"), read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended are proposed to be passed as special resolutions by way of postal ballot. The Explanatory Statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof are annexed hereto along with a Postal Ballot Form (the "Form") for your consideration.

The Board of Directors of the Company has appointed Mr. Dilip Bharadiya (B.Com, F.C.S. and A.C.A), Practicing Company Secretary as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and send the said form duly completed with the assent (for) or dissent (against), and signed, in the enclosed postage pre-paid self-addressed envelope so as to reach the Scrutinizer not later than close of business hours on Monday, 5th October 2015, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Members.

The Scrutinizer will submit his report to Mr. Shantisarup Reniwal, Managing Director, or in his absence Mr. Rakesh Reniwal, Director, after completion of the scrutiny of the Postal Ballot Forms and the results thereof will be announced latest by Friday, 9th October 2015 at 3.30 p.m. at the Registered Office of the Company located at 156 Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021 and the said date of declaration of result of Postal Ballot will be taken to be the date of passing of the Resolution.

The result will also be communicated to the BSE Limited, Stock Exchange, where the shares of the Company are listed, displayed on the Company's website. Also, the same will be displayed on the website of the Company at www.hariyanagroup.com and subsequently published in the newspapers.

1. Creation of Charge on Assets

To consider and, if thought fit, to pass the following resolution as Special Resolution through Postal ballot:

"RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, read with the Rules framed thereunder, as may be amended from time to time, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company for the creation of mortgages, charges and hypothecation or creation of security for an amount not exceeding Rs.1250 Crore (Rupees One Thousand Two Hundred Fifty Crore only), in any other form or manner as may be necessary, on such of the assets of the Company both present and future, in such manner as the Board may direct, in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate and trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee terms loans together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustee under the Trust Deed under the respective agreements entered / to be entered into by the Company in respect of the said borrowing.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalize with the Lending Agencies, the documents for creating the aforesaid mortgages, charges and/or hypothecations or any other security and to accept any modifications to or to modify, alter or vary the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this resolution."

2. Inter Corporate Loans & Deposits

To consider and, if thought fit, to pass the following resolution as Special Resolution through Postal ballot:

“RESOLVED THAT in supersession of the resolution passed under Section 372A of the Companies Act, 1956 through Postal Ballot rules and pursuant to provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time) read with the Companies (Meetings of Board and its Powers) Rules, 2014 as may be amended, from time to time and Articles of Association of the Company, approval of Shareholders of the Company be and is hereby given to the Board of Directors for:-

- (i) giving any loan to any person or other body corporate;
- (ii) giving any guarantee or providing security in connection with a loan to any other body corporate or person and/ or;
- (iii) acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate; up to an amount, the aggregate outstanding of which should not exceed Rs.600 Crore (Rupees Six Hundred Crore only), which shall be over and above the limits and may exceed 60% (Sixty per cent) of the Company’s paid-up share capital, free reserves, and securities premium or 100% (One hundred per cent) of the Company’s free reserves, and securities premium whichever is more as specified in Section 186(2) of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to (i) negotiate and decide terms and conditions; (ii) execute necessary documents, papers, agreements etc., for investments to be made, loans / guarantees to be given and securities to be provided to any person and / or any Body Corporate;(iii) do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable, (iv) settle any question, difficulty or doubt that may arise in this regard.”

3. Alteration of Main Object Clause of the Company

To consider and, if thought fit, to pass the following resolution as Special Resolution through Postal ballot:

“RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any of the Companies Act, 2013 read with the Rules framed thereunder, as may be amended from time to time, consent of the Members of the Company be and is hereby accorded to alter the Main Object of the Memorandum of Association of the Company by adopting and inserting Clause 2 which reads as follows:

- 2. To purchase, take on lease or in exchange or otherwise acquire any lands with or without buildings or structures and any estate or interest and any rights connected with any such lands and/or buildings and structures and to develop, turn to account, lease, transfer in whole or in part or dispose of in any manner the same as may seem expedient and in particular by laying out and preparing the same for building purposes and or with a view to form a colony or society or condominium with all kinds of sanitary water, roads, and lights, conveniences of residential, commercial and/or public utilities and by constructing, re-constructing, altering, pulling down, decorating, maintaining, furnishing, filling up and improving, buildings, offices, business centres, flats, houses, factories, warehouses, shops, schools, colleges, mills roads, drawing, forking, cultivating and letting the same or lease or building agreement and by advancing money and entering into contracts and arrangements of all kinds with builders, landlords, occupants, owners, tenants and others.

RESOLVED FURTHER THAT the clauses of the Memorandum be re-numbered accordingly after insertion of such clause.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to this Resolution.”

For and on behalf of the Board,

Hariyana Ship Breakers Limited

Sd/-

Shantisarup Reniwal

Managing Director

DIN: 00040355

Place: Mumbai

Date: 25th August 2015

Registered Office:

156 Maker Chambers VI,

220 Jamnalal Bajaj Marg,

Nariman Point,

Mumbai – 400021.

Notes:

1. The Explanatory Statement setting out all material facts as required under Section 102 and 110 of the Companies Act, 2013, is appended.
2. Members are requested to carefully read the instructions printed overleaf on the Postal Ballot Form before exercising their vote.
3. Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (“NSDL”)/Central Depository Services (India) Limited (“CDSL”) as on Friday, 28th August 2014.
4. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rules 18 and Rules 22 of the Companies (Management and Administration) Rules, 2014, this Postal Ballot Notice is being sent by email to those Members who have registered their email address with the Company or with their Depository Participants (in respect of shares held in electronic form) and made available to the Company by the Depository. Members who have not registered their email address will receive this Postal Ballot Notice along with the Postal Ballot Form through post (in respect of shares held in physical Form).
5. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to all its Members as an alternate mode to exercise their right to vote. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-voting to enable the Members to cast their votes electronically. Please note that e-voting is optional.
6. Kindly note that the Members can opt for only one mode of voting, i.e. either by post or e-voting. If the Members opt for e-voting, then they should not vote by post and vice versa. However, in case of Members cast their vote by e-voting, then voting done through e-voting shall prevail and voting done by post will be treated as invalid.
7. In case if Member is desirous of obtaining the Postal Ballot in printed form or a duplicate one, the Member may write to the Company or send an email to contact@hariyanagroup.com. The Company shall forward the same along with self-addressed pre-paid postage Business Reply Envelope to the Member.
8. The Postal Ballot Notice is also being published in Free Press Journal and Navshakti and the same has been uploaded on the Company’s website : www.hariyanagroup.com and www.evotingindia.com
9. All the documents referred to in this Postal Ballot Notice and Explanatory Statement setting out material facts and other statutory registers are open for inspection by the Members at the Registered Office of the Company between 10.00 a.m. and 12 noon on all working days except Saturday, Sunday and National Holiday, from the date hereof up to Monday, October 5, 2015.
10. The voting rights of the Members shall be in proportion to their shares in the total paid up equity share capital of the Company as on Friday, 28th August 2015.

I. E-Voting Facility:**The instructions for shareholders voting electronically are as under:**

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
 - (i) Open email and open PDF file viz; “HSBLPB_2015_e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your User ID and Password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. 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 “EVEN” of Hariyana Ship Breakers Limited.

- (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizerdilip@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of Postal Ballot [for members whose email Ids are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN(E Voting Event Number)	USER ID	PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No.(xi) above, to cast vote.
 - II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
 - III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - IV. The e-voting period **commences on 6th September 2015 and ends on 5th October 2015**. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 28th August 2015 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

Explanatory Statement

Pursuant to Sections 102 and 110 of the Companies Act, 2013

Item No. 1

Under the provisions of Section 180(1)(a) of the Act, which were made effective from September 12, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). Standard market terms of long term debt finance include conditions whereby lenders/ trustees in certain circumstances (such as non-payment or other events of default) can take over the management of the Company, to recover their dues. It is therefore, necessary to obtain members' approval by way of a Special Resolution under Section 180(1)(a) of the Act for creation of charges/mortgages/hypothecations for an amount not exceeding Rs.1250 Crore which may exceed the aggregate of the paid up capital and free reserves of the Company.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the lenders/ holders of securities / trustees for the holders of the said securities. As the documents to be executed between the lenders/security holders/ trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a special resolution under Section 180(1)(a) of the Act, for creation of charges/mortgages/hypothecations for an amount not exceeding Rs.1250 Crore which may exceed the aggregate of the paid up capital and free reserves of the Company.

The Board recommends the resolution at Item No. 1 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested either financially or otherwise, in the proposed resolutions except to the extent of their shareholding, if any, in the Company.

Item No. 2:

In the course of Business, it is proposed to empower and permit the Board of Directors of the Company to grant loans, give guarantees, provide securities to and make investments in the securities of other bodies corporate which may be

over and above the limits and may exceed 60% (Sixty per cent) of the Company's paid-up share capital, free reserves, and securities premium or 100% (One hundred per cent) of the Company's free reserves, and securities premium whichever is more as specified in Section 186(3) of the Companies Act, 2013. It is proposed to set a limit to the extent of Rs.600 Crore (Rupees Six Hundred Crore only) in this regard.

Section 186 of the Companies Act, 2013 and the Rules made thereon requires shareholder's approval to such proposals through special resolutions and thus it is necessary to obtain the shareholders' approval by means of a Special Resolution.

The above proposal as set out at item no.2 of the Notice is in the interest of the Company and your Directors commend the same for approval of the Members by way of Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested either financially or otherwise, in the proposed resolutions except to the extent of their shareholding, if any, in the Company.

Item No. 3:

The real estate industry has been progressive in recent years. The Board has studied the market and found the same to be profitable business proposal with limitless expansion. Thus the Board proposes that the Company should also carry out the activities pertaining to the Real Estates. Thus, the Company intends to insert the Clause pertaining to Real Estate in the Main Objects of the Memorandum of Association of the Company. Such amendment to the Memorandum of Association requires shareholders approval by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financial or otherwise, in passing of the Resolutions set out at Item No. 3.

For and on behalf of the Board,

Hariyana Ship Breakers Limited

Sd/-

Shantisarup Reniwal

Managing Director

DIN: 00040355

Place: Mumbai

Date: 25th August 2015

Registered Office:

156, Maker Chambers VI,

220 Jamnalal Bajaj Marg,

Nariman Point,

Mumbai – 400021.