

5th

Annual Report
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KESAR TERMINALS & INFRASTRUCTURE LIMITED

KESAR TERMINALS & INFRASTRUCTURE LIMITED

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KESAR TERMINALS & INFRASTRUCTURE LIMITED

(Incorporated under the Companies Act, 1956)

COMPANY INFORMATION

BOARD OF DIRECTORS

H. R. KILACHAND (Chairman)
SMT. M. H. KILACHAND
A. S. RUIA
K. KANNAN
J. N. GODBOLE
R. S. LOONA
J. K. DEVGUPTA (Executive Director)

COMPANY SECRETARY

BHAUTESH SHAH

BANKERS

Yes Bank

AUDITORS

M/s. Haribhakti & Co., Chartered Accountants

TERMINALS

Kandla (Gujarat)

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENTS

SHAREX DYNAMIC (INDIA) PVT. LTD.
Luthra Industrial Premises,
Andheri Kurla Road,
Safed Pool, Andheri (E)
Mumbai - 400 072

AUDIT COMMITTEE MEMBERS

A. S. RUIA (Chairman of the Committee)
K. KANNAN
J. N. GODBOLE
R. S. LOONA
H. R. KILACHAND

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NOTICE

NOTICE is hereby given that the 5th Annual General Meeting of the Members of **KESAR TERMINALS & INFRASTRUCTURE LIMITED** will be held on **Thursday, 11th July, 2013 at 3:30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001** to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Smt. M. H. Kilachand, who retires by rotation and being eligible offers herself for reappointment.
4. To appoint a Director in place of Shri A. S. Ruia, who retires by rotation and being eligible offers himself for reappointment.
5. To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Haribhakti & Co., Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration as may be decided by the Board of Directors plus reimbursement of travelling and other out of pocket expenses incurred by them in performance of their duties.”

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification/s, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 309, 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including, any statutory amendment, modification or re-enactment thereof and other requisite approvals as may be necessary, the approval be and is hereby accorded for reappointment and payment of remuneration, as mentioned here under, to Shri H. R. Kilachand as Whole-time Director designated as “Executive Chairman” of the Company entrusted with substantial powers of the management, for a further period of 3 years with effect from 14.9.2013 to 13.9.2016:

I. **SALARY:**

- [A] In case, the Company has sufficient Net Profit (calculated as per Section 349 of the Act) in any financial year:
- a. Salary upto ₹ 4,00,000/- per month or ₹ 48,00,000/- per annum [or any higher limit as may be revised from time to time under the Act] in the scale as may be decided by the Board / the Remuneration Committee based on the performance of the Company subject to specified ceiling limit of the Net Profit;
 - b. Incentives, not exceeding the specified ceiling limit of the Net Profit of the Company for each financial year or part thereof computed in the manner as laid down under Section 349 of the Companies Act, 1956 and subject to the overall ceiling laid down under Section 198 and 309 of the Companies Act, 1956 after deducting Salary & Perquisites as provided herein.

OR

- [B] In case, the Company has no profits or its profits are inadequate:
- Salary ₹ 3,00,000/- per month or ₹ 36,00,000/- per annum [or any higher limit as may be revised from time to time under the Act] plus Perquisites as mentioned hereunder as Minimum Remuneration as per Para (B) of Schedule XIII.

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II. PERQUISITES:

Shri H. R. Kilachand shall be entitled to House Rent Allowance not exceeding 60% of the salary, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules being restricted to an amount equal to the annual salary payable to Shri H. R. Kilachand, subject however to the limit of overall Minimum Remuneration as prescribed under Para (B) of Schedule XIII.

Shri H. R. Kilachand shall be further eligible to the following perquisites also which shall not be included in the computation of the ceiling limit on remuneration by way of salary, perquisites, allowances etc.

- i. The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund. The same will not be included in the computation of the ceiling limit to the extent of the same either singly or put together are not taxable under the Income Tax Act.
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- iii. Encashment of leave at the end of the tenure.

Shri H. R. Kilachand shall be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.

"RESOLVED FURTHER THAT the remuneration as per Para I (B) of Schedule XIII as mentioned above shall nevertheless be paid and allowed to Shri H. R. Kilachand as the Executive Chairman as the minimum remuneration, but not exceeding overall ceiling limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto from time to time, notwithstanding that in any financial year of the Company during the tenure of office of Shri H. R. Kilachand, the Company may have made no profits or its profits may be inadequate."

"RESOLVED FURTHER THAT Shri H. R. Kilachand shall not be liable to retire by rotation as Director of the Company."

"RESOLVED FURTHER THAT the payment of above remuneration shall also be subject to Section III of Schedule XIII of the Companies Act, 1956, which provides that subject to the provisions of Sections I and II of Schedule XIII, Shri H. R. Kilachand shall draw remuneration from the Company as well as from Kesar Enterprises Ltd. (KEL) in which Shri Kilachand is appointed as Chairman & Managing Director, provided that the total remuneration drawn and retained by Shri Kilachand from both the Companies shall not exceed the higher maximum limit admissible from any one of the Companies."

"RESOLVED FURTHER THAT the amount of remuneration to be paid by each Company will be decided by the Board of both the Companies from time to time considering the higher maximum limit admissible from any one of the Company i.e. the Company or KEL."

7. To consider and, if thought fit, to pass with or without modification/s, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, any other law for the time being in force, and in accordance with provisions of Articles of Association of the Company, considering the valuable time contributed by all the Non Executive Directors of the Company and to remunerate them suitably approval of the Company be and is hereby accorded for payment of commission to its Non-Executive Directors not exceeding one per cent (1%) of the net profits of the Company, calculated in accordance with the provisions of Section 349 and 350 and other applicable provisions, if any, of the Companies Act 1956 every year with effect from the Financial Year 2013-14 in such manner as the Board of Directors in its absolute discretion may decide from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be required to give effect to the above resolution."

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8. To consider and, if thought fit, to pass with or without modification/s, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or reenactment thereof) and the provisions of Foreign Exchange Management Act (FEMA), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended, Securities and Exchange Board of India (SEBI) Regulations and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (GOI), Reserve Bank of India (RBI), SEBI and any other competent or concerned authority and the provisions of Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with the Stock Exchanges on which the Company's shares are listed and subject to necessary approvals, permissions, consent and sanctions of the concerned statutory and other authority(ies) and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consent and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”), which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution, the Board be and is hereby authorised on behalf of the Company with powers to delegate such authority to such person or persons as the Board may deem fit, to offer, issue and allot either in India or in the course of international offering(s), in one or more foreign markets, such number of Equity Shares, Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), Qualified Institutional Placements (QIPs), Equity Shares (through Depository Receipt Mechanism), any other Financial Instruments convertible into Equity Shares or otherwise, in the registered or bearer form, any security convertible in or linked to Equity Shares and / or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (hereinafter collectively referred to as “Securities”) or any one or combination of such Securities, in one or more tranches, whether rupee denominated or denominated in foreign currency, to foreign / resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Foreign Institutional Investors, Indian / Multilateral Financial Institutions, Mutual Funds, Banks, Insurance Companies, Pension Funds, Qualified Institutional Buyers (QIB's) Non-Resident Indians and / or any other eligible investors, whether they be holders of shares of the Company or not (collectively called the “Investors”) through Public Issue, Rights Issue, Preferential Issue, Private Placement or a combination thereof through prospectus, offer document, offer letter, offer circular or otherwise, at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with Lead Managers, upto an amount not exceeding ₹ 100 crore (Rupees One Hundred crore) approximately or equivalent foreign currency inclusive of such premium as the Board at its absolute discretion may deem fit and appropriate.”

“RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practice and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional equity shares or variation of the conversion price of the GDRs during the duration of the Depository Receipts and the Board be and is hereby authorised at its absolute discretion, in such manner as it may deem fit, to dispose off such of the Securities as are not subscribed.”

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“RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any Securities or as may be necessary in accordance with the terms of the offering(s), all such shares ranking pari passu with the existing Equity Shares of the Company in all respects.”

“RESOLVED FURTHER THAT the pricing of the Securities, GDRs/ FCCBs / ADRs that may be issued, shall be made subject to compliance with the applicable laws and regulations.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Advisors and all such Agencies as may be involved or concerned in such offering(s) of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more National and / or International Stock Exchange(s).”

“RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue and allotment of Securities or Equity Shares, as aforesaid, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary, desirable or expedient including the obtaining of permissions / approvals from various authorities as may be required and to settle any questions, difficulties or doubts that may arise in regard to any such offer, issue and allotment.”

“RESOLVED FURTHER THAT the acts, deeds, and things already done by the Board, or any persons designated by the Board, in this regard be and are hereby confirmed, approved and ratified.”

Registered Office:

Oriental House,
7, Jamshedji Tata Road,
Churchgate,
Mumbai-400020

21st May, 2013

By Order of the Board of Directors

Bhautesh Shah
Company Secretary

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NOTES:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- b) The register of members and share transfer books of the Company shall remain closed from Friday, 5.7.2013 to Thursday, 11.7.2013 (both days inclusive) for the purpose of payment of dividend. The Shareholders are requested to inform of change in address, if any, at the earliest.
- c) The Members may lodge their shares for transfer / transmission with the office of M/s. SHAREX DYNAMIC (INDIA) PVT. LTD., the Registrar and Share Transfer Agents at Unit No.1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai 400072 or with the Company.
- d) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 11:00 a.m. and 1:00 p.m. upto the date of the ensuing Meeting.
- e) Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
- f) Members / Proxies should fill the Attendance Slip for attending the Meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the Meeting.
- g) The members of the Company are requested to provide their email address for serving by electronic mode the notice/documents as a part of the Green Initiative in Corporate Governance introduced by the Ministry of Corporate Affairs vide Circular No. 17/2011 & 18/2011 dated 21.4.2011 and 29.4.2011 respectively. The said information/request can be sent by members to M/s. SHAREX DYNAMIC (INDIA) PVT. LTD., the Registrar and Share Transfer Agents email id at sharexindia@vsnl.com or at the Company's email id at bhauteshshah@kesarindia.com (Please refer Page 75 & 76).
- h) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
- i) As per Clause 49(IV)(G) of the Listing Agreement, the information in detail about Smt. M. H. Kilachand and Shri A. S. Ruia, the retiring Directors at the ensuing Annual General Meeting, is given in para 2 of the Corporate Governance Report.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956:

Item No. 6:

Shri H. R. Kilachand was appointed as the Whole-time Director designated as Executive Chairman with substantial powers of the management for a period of 3 years commencing from 14.9.2010. In accordance with the term of his appointment, his term of office will expire on the closing hours of 13.9.2013. Considering the robust performance and his vast experience in this field, the Remuneration Committee and the Board of Directors at their meeting/s held on 21.5.2013 reappointed Shri H. R. Kilachand as the Whole-time Director designated as Executive Chairman entrusted with substantial powers of the Management for a further period of 3 years from 14.9.2013 to 13.9.2016.

The Board recommends the reappointment of Shri H. R. Kilachand as Executive Chairman with substantial powers of the management as mentioned in the Special Resolution, for a further period of 3 years w.e.f. 14.9.2013, on remuneration as specifically mentioned in the Special Resolution at Item No.6 which is within the ceiling limits provided in Schedule XIII to the Companies Act, 1956, subject to your approval.

Shri H. R. Kilachand shall not be regarded as a Director liable to retire by rotation.

None of the Directors of the Company except Shri H. R. Kilachand and his wife Smt. M. H. Kilachand, is in any way concerned or interested in the proposed Special Resolution.

Item No. 7:

In terms of Section 309 of the Companies Act, 1956, with the approval of the shareholders by way of Special Resolution, a Company may make payments by way of commission to its Non-Executive Directors and such remuneration by way of commission cannot exceed 1% of the net profits of the Company.

Considering the valuable time contributed by all the Non Executive Directors of the Company and in order to remunerate such Directors for their duties, the Board is of the opinion that all Non-Executive Directors should be paid appropriate commission for the counsel and advice provided by them.

In terms of Section 309 of the Companies Act, 1956, approval of shareholders is required for payment of commission to the Non-Executive Directors. The approval will be valid for every year with effect from the Financial Year 2013-14.

The Board recommends the resolution as set out in Item No. 7 for approval of the shareholders as a Special Resolution.

All the Directors of the Company except Shri H. R. Kilachand and Shri J. K. Devgupta, are in any way concerned or interested in the proposed Special Resolution.

Item No. 8:

The proposed resolution is an enabling resolution, which relates to the proposal of the Company to offer, issue and allot either in India or in the course of an international offering in one or more foreign markets, by way of equity shares / depository receipts / foreign currency convertible bonds (FCCB) / fully convertible debentures / partly convertible debentures / qualified institutional placements (QIP's) or any other financial instruments convertible into or linked to equity shares or otherwise, or any one or combination of such securities, in one or more tranches through Public Issue(s), Rights Issue(s), Preferential Issue(s), Private Placement(s) or a combination thereof and on the terms and conditions as may be decided by the Board of Directors or any Committee thereof, at its absolute discretion, for an amount not exceeding Indian ₹ 100 crore (Rupees One Hundred crore) approximately or equivalent foreign currency inclusive of premium payable on conversion, if any.

The objects of this issue is to enhance financial flexibility of the Company to fund the capital expenditure plans of the Company and/or to part finance expansion/modernization and/or acquisition/investments. The Company is exploring alternatives to mobilise resources from various available sources. Presently, it is proposed to raise a sum upto Indian ₹ 100 crore (Rupees One Hundred crore) approximately or equivalent foreign currency.

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The detailed terms and conditions for the offer will be determined in consultation with Advisors, Lead Managers, Underwriters and such other authority or authorities and agencies as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors. The pricing of the international offering(s), if any, will be free market pricing and may be at a premium or discount to the market price in accordance with international practice, subject to applicable rules, regulations etc. As the pricing of the offering(s) will be decided at a later stage, the exact number of securities or shares to be issued will depend upon the price so decided. For the aforesaid reasons, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalise the terms of the issue.

Securities issued pursuant to the international offering(s), if any, will be listed on the Luxembourg Stock Exchange and / or London Stock Exchange and / or Singapore Stock Exchange and / or other Exchange(s) outside India and may be represented by Securities outside India.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies, individuals or otherwise as the Board may at its absolute discretion deem fit. Section 81(1A) of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81(1A) unless the shareholders in a general meeting decide otherwise.

The Listing Agreement entered into by the Company with the Bombay Stock Exchange/National Stock Exchange of India Ltd. on which the Company's shares are listed provides, inter alia, that the Company in the first instance should offer all the shares to be issued by the Company for subscription on a pro rata basis to the equity shareholders unless the shareholders in a general meeting decide otherwise.

The said Special Resolution, if passed, shall have the effect of allowing the Board on behalf of the Company to offer, issue and allot the Securities otherwise than on pro rata basis to the existing shareholders.

The Board of Directors believes that such issue is in the interest of the Company and therefore recommends the resolution for your approval. No Director of the Company is interested or concerned in the said resolution.

Registered Office:

Oriental House,
7, Jamshedji Tata Road,
Churchgate,
Mumbai-400020

21st May, 2013

By Order of the Board of Directors

Bhautesh Shah
Company Secretary

KESAR TERMINALS & INFRASTRUCTURE LIMITED

DIRECTORS' REPORT

To
The Shareholders
Kesar Terminals & Infrastructure Ltd.

Dear Members,

Your Directors present to you the 5th Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

STANDALONE FINANCIAL RESULTS

	(₹ in Lac)	
	2012-13	2011-12
Profit before interest, depreciation & taxation	1758.59	1395.16
Less: Interest and Finance Charges	212.59	81.57
Profit before Depreciation & taxation	1546.00	1313.59
Less: Depreciation	275.18	278.52
Profit before tax	1270.82	1035.07
Less: Provision for Taxation		
(i) Income Tax - Current	445.52	345.00
(ii) Income Tax – Deferred	(13.99)	(17.82)
Profit after tax and Profit available for appropriation	839.29	707.89
Appropriation:		
Less:		
Transfer to General Reserve	500.00	71.55
Proposed Dividend on Equity Share	157.59	131.33
Corporate Tax on Dividends	26.78	21.30
Profit after appropriation	154.92	483.71
Add: Balance brought forward from previous year	1115.83	632.12
Balance carried forward to Balance Sheet	1270.75	1115.83

For the year 2012-2013, there is a profit after tax of ₹ 839.29 lac as against ₹ 707.89 lac in the previous year.

DIVIDEND

The Directors are pleased to recommend a dividend of 30% i.e ₹ 3 per Equity Share of ₹ 10/- each on 52,53,113 Equity Shares of the Company for the year 2012-13 (previous year 25% i.e. ₹ 2.50 per Equity Share). The total dividend payout will be ₹ 157.59 lac, excluding dividend distribution tax of ₹ 26.78 lac.

WORKING FOR THE CURRENT YEAR

During the year under review, your Company achieved a turnover of ₹ 2985.09 lac, as against ₹ 2341.10 lac in the previous year, recording a growth of 27.51%. The Company recorded an increase of 18.56% in its profit after tax which grew from ₹ 707.89 lac to ₹ 839.29 lac.

The Company's healthy performance is attributable to better realisation in terminal tankage charges and improvement in the average commercial utilization of tanks by 5% YoY i.e. from 94% in the previous year to 99% in the current year.

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SUBSEQUENT FINANCIAL YEAR 2013-2014

Though the industrial activities are sluggish, the demand for tankage is expected to remain firm. However, two new bulk liquid storage terminals coming up in the port of Pipavav may lead to shift of some cargo from Kandla to Pipavav due to proximity of Pipavav to consumption centres in Mumbai and South Gujarat. This may lead to marginal depression in tank terminalling charges at Kandla. The Company has also plans for putting up additional tanks in Terminal No.1 subject to receipt of statutory clearances for which applications have already been submitted to the concerned authorities.

EXPANSION / MODERNISATION

The Company is awaiting necessary permissions from the authorities for the construction of additional tanks at Kandla for enhancing revenue. During the year, the Company converted 2 Mild Steel (MS) tanks to Stainless Steel tanks (SS) which has enhanced revenues. Based on the market scenario and the demand from its customers, your Company proposes to convert further such MS tanks into SS tanks.

The Company has about 10 acres of land on long term lease basis at Kakinada port in Andhra Pradesh. The Company plans to put up both Dry Cargo Warehousing and Bulk Liquid Terminal facilities at Kakinada.

The Company has already received approval from Inter Ministerial Committee for putting up a CFS on the 16 acres freehold land purchased by the Company at Pipavav port in Gujarat. The Company proposes to set up a Container Freight Station [CFS], Bonded Warehouse and Bulk Liquid terminal at Pipavav.

SUBSIDIARY COMPANY

During the year under review, the % shareholding, of the Company along with its Nominees in the Equity Share Capital of Kesar Multimodal Logistics Ltd. (KMLL) increased above 50%, which resulted into a relationship of Holding - Subsidiary between the Company & KMLL w.e.f. 10.8.2012. The Board of Directors of the Company have approved to dispense with the requirement of attaching to its Annual Report, the annual audited accounts of the Company's subsidiary, KMLL vide Circular dated 8th February 2011 issued by The Ministry of Corporate Affairs, Government of India, granting general exemption to Companies under Sec 212(8) from attaching the documents referred to in Sec 212 (1) pertaining to its subsidiary. Accordingly, the Annual Report of the Company does not contain the individual financial statements of KMLL, but contains the audited consolidated financial statements of the Company and KMLL. The Annual Accounts of the Subsidiary Company, along with the related information, is available for inspection at the Company's registered office and copy shall be provided on request. The statement pursuant to the approval under section 212(8) of the Companies Act, 1956, is provided in Note no. 35 of Notes on Consolidated Financial Statements.

CONSOLIDATION OF FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company prepared as per Accounting Standard AS 21, consolidating the Company's accounts with its subsidiaries have also been included as part of this Annual Report.

COMPOSITE LOGISTICS HUB PROJECT AT MADHYA PRADESH

During the year, the Special Purpose Vehicle Company "Kesar Multimodal Logistics Ltd." (KMLL) formed by the Company and its Consortium Member, Kesar Enterprises Limited (KEL) had done the 'Bhoomipujan' and 'Foundation stone laying' Ceremony on 22.10.2012 at the Project site at Pawarkheda, Madhya Pradesh following which construction activities commenced in full swing. The "Composite Logistics Hub" covering an area of 88.3 acres, would include development of an entire range of logistics infrastructure including rail sidings for cargo and container movement, railside warehouses, Inland Container Depot (ICD), Cold Storage, food grains warehouse, Agri processing units, development of common facilities, marketing of the same to potential customers along with operation and maintenance thereof. This project land has been provided by the Madhya Pradesh State Agricultural Marketing Board (Mandi Board) on a Design, Build, Finance, Operate and Transfer (DBFOT) basis through Public Private Participation (PPP).

The project will be developed in 2 phases. It is expected the 1st phase will be operational within a period of one year.

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The necessary financial tie up of ₹ 108.11 crore has been arranged by KMLL through a Consortium of Bankers i.e Dena Bank as the Lead Bank and Allahabad Bank and Union Bank of India as the Consortium Banks amounting to ₹ 58 crore, ₹ 25 crore and ₹ 25 crore respectively.

DIRECTORS

Smt. M. H. Kilachand and Shri A. S. Ruia, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The brief profile pursuant to Clause 49 of the Listing Agreement of the Directors retiring by rotation at the ensuing Annual General Meeting and being eligible, for reappointment forms part of the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act 2000, the Directors state as under:

- i) that in preparation of the Annual Accounts for the financial year ended on 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for that year;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the Annual Accounts for the financial year ended on 31st March, 2013 on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

The Management Discussion & Analysis Report, is annexed and forms part of this Annual Report.

The Company has complied with the Corporate Governance requirements as stipulated under Clause 49 of the Listing Agreement with the stock exchanges. A separate section on Corporate Governance, along with a certificate from the auditors confirming the compliance, is also annexed and forms part of the Annual Report.

INSIDER TRADING

In compliance with the SEBI regulation on prevention of Insider Trading, your Company has framed a comprehensive code which lays down guidelines and advises the Directors and employees of the Company on procedures to be followed and disclosures to be made, while dealing in securities of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Section 217(1)(e) of the Companies Act, 1956 with respect to conservation of energy, technology absorption is not applicable to the Company.

During the year under review, there were no foreign Exchange Earnings (Previous year Nil) and Foreign Exchange Outgo stood at ₹ 5,58,857 (Previous Year ₹ 7,58,749).

FIXED DEPOSITS

The Company has accepted deposits from the public and Shareholders within the meaning of section 58A of the Companies Act, 1956 amounting to ₹ 141 lac during the year ended as at 31.3.2013. None of the deposits remained unclaimed during the year.

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AUDITORS

M/s Haribhakti & Co., Chartered Accountants, who hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

INTERNAL CONTROL SYSTEM & INTERNAL AUDITORS

The Company has an adequate Internal Control System. All transactions are properly authorised, recorded and reported to the Management. The Company has Independent Auditors M/s. Ashok Jayesh & Co., Chartered Accountants to review critical areas of operations. The Audit Reports are reviewed periodically by the management and the Audit Committee of the Board and appropriate measures are taken to improve the process.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility and sustainable development are the umbrellas of ethical behaviour. The Company is committed to the health and safety of its employees and its neighbourhood and believes in pursuing its business growth objectives in a socially responsible and ecologically sustainable way. Your Company as a responsible corporate citizen strives to add value to society and address the contemporary societal needs and challenges.

EMPLOYEES

Relation with the employees remained cordial throughout the year. Your Directors place on record their sincere appreciation for the excellent spirit and commendable progress showcased by the entire team of the Company working at its Terminals and Offices. In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the Annexure to the directors' report section. However, as per the provisions of Section 219(l)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

ACKNOWLEDGEMENT

Your Directors wish to place on record their grateful appreciation for the assistance and cooperation extended by the Banks, Financial Institutions, Customers and the wholehearted support extended by the shareholders during the year.

By Order of the Board of Directors

Mumbai
21st May, 2013

H. R. KILACHAND
CHAIRMAN

KESAR TERMINALS & INFRASTRUCTURE LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SCENARIO IN INDIA

Bulk liquid Storage scenario

Though the Indian economy showed signs of sluggishness, the overall demand in the Bulk Liquid tanking business was firm. With an overall increase in economic activities and the expected increase in the domestic manufacture of petrochemicals and chemicals and export / import thereof during the current year, the scenario seems promising resulting into an additional demand for tankage. The per capita increase in income of Indian population is leading to increased consumption of edible oils and hence there is a rise in import of edible oils, both crude and refined oils. The GDP growth for FY14 is forecasted at 6.1% as against 5.5% of last fiscal. The growth revival of the Indian economy will largely come on the back of global factors and a normal monsoon, which will have a positive spin offs on all important services sector.

INDUSTRY STRUCTURE & DEVELOPMENT

The present logistics industry is highly unorganised, with a large number of players providing individual services, across the value chain. The fragmented nature of the industry leads to customers having to deal with various service providers, thus putting a strain on their logistics costs.

On the domestic front, lack of logistics infrastructure directly affects the efficiency of product movement in India. This could be either from the manufacturing plant where the product is made to the store where the end consumer buys the product or from the port where the product lands into India to the shelf where the end consumer buys the product. Thus every product bears the cost of inefficiency in the system, which is reflected in the consumer price index – ‘inflation’, wherein, ultimately, every consumer pays the price. Thus the vicious circle feeds itself through the growing logistics inefficiency in India’s economy. With the government providing new tax sops in the Budget, new vistas such as introduction of General Sales Tax (GST) will open up opportunities for reducing distribution costs.

OPPORTUNITIES & THREATS

The Company currently operates 2 Bulk Liquid Chemical Terminals at Kandla, Gujarat having a combined capacity of 127,000 Kilo Litres (KL), with a total of 64 tanks which includes specialized tanks, such as stainless steel tanks, tanks equipped with heating and insulation facilities and coated tanks which stores specialty products. The Company plans to add further capacity at its Terminal 1, Kandla and has approached the concerned authorities for requisite approvals. Further, as a revenue enhancement measure, the Company has during the year converted 2 existing Mild Steel (MS) tanks to Stainless Steel (SS) tanks. The Company also plans to convert further such tanks based upon demand from its customers.

PERFORMANCE

The Company as on date operates in only one segment i.e Bulk liquid storage facility, the revenues of which for the current year stood at ₹ 2985.09 lac as against ₹ 2341.10 lac last year, showing an increase of 27.51% in its topline. The profit after tax showed a jump of 18.56 % from ₹ 707.89 lac last year to ₹ 839.29 lac in the current year.

OUTLOOK

Diversification opportunities

Taking into view the promising growth the sector has to offer, the Company has been reviewing each and every opportunity which is coming along its way. To strengthen its roots the Company is increasing its installed capacity and modernising the existing plants at Kandla. The Company has already increased its capacity to 127,000 KL. and will add capacity to its Kandla Terminal by 7000KL shortly. The Company plans to set up a Dry Cargo Warehousing and Bulk Liquid Terminal at Kakinada, Andhra Pradesh and has already started with the land development work at the site. It has also plans to set up a Container Freight Station and a Bulk Liquid Terminal at Pipavav, Gujarat.

Annual Report 2012-2013

During the year, a Special Purpose Company Kesar Multimodal Logistics Ltd. formed for the execution of the “Composite Logistics Hub” project on PPP basis at Pawarkheda, Madhya Pradesh had commenced construction activities covering an entire range of logistics infrastructure like rail sidings for cargo and container movement, Rail Side Warehouses, Inland Container Depot, FMCG, Bulk commodity and Food grain warehouses, Cold storages, Food Park and a gamut of other such services on 88.3 acres of land provided by the Mandi Board. The project is one of its kind to be put up in the State of Madhya Pradesh. The facilities are required to be developed in 2 phases. It is expected the 1st phase will be operational within a period of one year.

RISKS AND CONCERNS

Every business is exposed to a certain amount of risk and concerns some of which may be regulatory or change in policy pertaining to the business, economic parameters, trade policy and geo-political factors, market risk, governmental clearances and approvals, credit risk which are difficult to foresee. The Company derives its revenues from its Bulk Liquid Terminals at Kandla, Gujarat. Since, the Company is majorly dependent on these Terminals for its revenues, it is exposed to specific risks that are particular to its business and environment in which it operates. The Company manages these risks by following business and risk mitigation practices.

INTERNAL CONTROL SYSTEM

The Company has an appropriate internal control system for its various functions with the ultimate objective of improving the efficiency of operations, better financial management and compliance with all regulations and applicable laws. The Company has an Internal Audit Cell and has also appointed an Internal Auditor [External]. All operating parameters are well defined and monitored periodically. The detailed internal audit reports are discussed at length at various levels and thereafter the said reports are also placed before the Audit Committee for review and discussion. Further, the Company has an Independent Internal Auditor [External] M/s Ashok Jayesh & Associates to check the Internal Audit functions of the Company.

FINANCIAL PERFORMANCE

The information relating to the financial performance of the Company is provided in the Directors’ Report.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company thrives on the skill and exemplary contribution of its employees and workers which makes it the best in the industry in terms of service delivery to its customers. The Company has always taken steps to nurture continuous improvement followed by innovation and focused approach for smooth organizational work flow. The Company has added to its fold experienced manpower in line with future areas of growth. The Company has a total strength of 66 people as at 31.3.2013.

FORWARD LOOKING STATEMENT

The above Management Discussion and Analysis Report contain “forward looking statement” within the meaning of applicable laws, and regulations and is futuristic in nature. All statements that address expectations or projections about the future, including, but not limited to statements about the Company’s strategy for growth, market position, expenditures and financial results are forward looking statements. The Company’s actual results, performance or achievement could thus differ materially from those projected in any such forward looking statements. Investors are requested to make their own independent judgments before taking any investment decisions and the Company assumes no responsibility.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance aims at attainment of the highest levels of transparency, accountability and equity in the functioning of the Company and in all interactions with employees, shareholders, creditors, depositors and customers. The Company believes that its systems and actions must be endeavoured for enhancing corporate performance and maximizing shareholder value in the long term.

2. BOARD OF DIRECTORS:

The Composition of the Board of Directors is in conformity with the stipulation laid down in the Code of Corporate Governance prescribed by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges.

The Board includes reputed individuals with considerable professional expertise from fields like finance, legal, commercial, business administration and other related fields, who, not only bring a wide range of experience and expertise, but also impart the desired level of independence to the Board.

The Board of Directors consists of the following Directors. The Composition and Category of Directors is as follows:

Name of Directors	Category
Shri H. R. Kilachand	: Executive Chairman [Promoter Director]*
Smt. M. H. Kilachand	: Non-Executive Promoter Director *
Shri A. S. Ruia	: Non-Executive Independent Director
Shri K. Kannan	: Non-Executive Independent Director
Shri J. N. Godbole	: Non-Executive Independent Director
Shri R. S. Loona	: Non-Executive Independent Director
Shri J. K. Devgupta	: Executive Director

* Shri H. R. Kilachand and Smt. M H Kilachand have a husband wife relationship which is required to be disclosed as per Clause 49 of the Listing Agreement.

Attendance of each Director at 7 Board Meetings held during 1.4.2012 to 31.3.2013, the last Annual General Meeting held on 14.9.2012 and the number of other Directorship and Chairmanship / Membership of Committees of each Director in various companies are as follows:

Name of the Director	Attendance Particulars							No. of other Directorships and Committee Member / Chairmanship	
	Out of 7 Board Meetings	Out of 4 Audit Committee Meetings	Out of 2 Remuneration Committee Meeting	Out of 4 Share Transfer Committee Meetings	Sitting Fees paid (₹)	Last AGM	Other Directorships*	Committee Member#	Chairman-ships
Shri H. R. Kilachand	7	4	2	4	--	Yes	2	3	-
Smt. M.H. Kilachand	6	N.A	N.A	N.A	96,000	Yes	2	-	-
Shri A. S. Ruia	7	4	2	4	2,52,000	Yes	3	3	-
Shri K. Kannan	5	3	1	N.A	1,44,000	Yes	6	3	5
Shri J. N. Godbole	7	4	2	4	2,52,000	Yes	14	6	3
Shri R. S. Loona	7	4	N.A	N.A	1,68,000	Yes	3	3	2
Shri J. K. Devgupta	7	N.A	N.A	N.A	--	Yes	-	-	-

The Non-Executive Directors were paid Sitting Fees of ₹ 9,12,000/- for attending the Board Meetings and the Committee Meetings held during 1.4.2012 to 31.3.2013.

* Excludes Directorships in Pvt. Ltd. Companies and Section 25 Companies.

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As per Explanation (2) to Clause 49(c)(ii) of the Listing Agreement, Chairmanship / Membership of the Audit Committee and the Shareholders' Grievance Committee of Public Limited Companies is considered.

The information as required under Annexure 1A to Clause 49 of the listing agreement is being regularly placed before the Board. The Board also reviews the declaration made by the Executive Director regarding compliance with all laws applicable to the Company on a quarterly basis.

Shareholding of Non-Executive Directors pursuant to Clause 49(IV)(E) sub clause (iv) of the Listing agreement is as below:

Name of Non-Executive Directors	Shares held in the Company
Smt. M.H. Kilachand	1,45,860
Shri A. S. Ruia	700
Shri K. Kannan	175
Shri J. N. Godbole	Nil
Shri R. S. Loona	Nil

Information on Directors retiring by rotation eligible for reappointment at the ensuing Annual General meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Smt. M. H. Kilachand	Shri Anilkumar S. Ruia
Date of Birth	16.9.1961	17.12.1943
Date of Appointment on the Board	21.1.2008	21.1.2008
Qualification	B.A	Sr. Cambridge
Expertise in Functional Area	She is a Director since the inception of the Company in 2008, an Arts Graduate with a specialization in Psychology & Literature from Mumbai University. Smt. Kilachand has over a decade of years of experience in General Administration.	He is an Industrialist and is highly respected for his knowledge and experience in sugar & distillery industry.
Number of Shares held in the Company	1,45,860	700
List of Directorship held in other Companies	Duracell Investments & Finance Pvt. Ltd. India Carat Pvt. Ltd. Indian Commercial Co. Pvt. Ltd. Kesar Corporation Pvt. Ltd. Kesar Enterprises Ltd. Kesar Multimodal Logistics Ltd. Kilachand Devchand & Co. Pvt. Ltd. Kilachand Devchand Commercial Pvt. Ltd. Seel Investment Pvt. Ltd.	Kesar Enterprises Ltd. Kesar Multimodal Logistics Ltd. The Kolhapur Sugar Mills Ltd. Ruarco Investments Pvt. Ltd. Ruia & Ruia Pvt. Ltd.
Chairman/Member of the Committees of the Boards of Companies in which he is Director	Nil	Chairman:- Asset Management Committee and Remuneration Committee of Kesar Enterprises Ltd. Member: Audit Committee; Shareholders/ Investor Grievance Committee; and Share Transfer Committee of Kesar Enterprises Ltd. Member: Audit Committee; and Remuneration Committee of Kesar Multimodal Logistics Ltd.

Number of Board Meetings held and the dates on which held:

In all 7 Board Meetings were held during the year. The dates on which the meetings were held are 17.4.2012, 4.5.2012, 10.8.2012, 14.9.2012, 31.10.2012, 23.1.2013 and 7.3.2013. The necessary information was made available to the Board from time to time.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

3. AUDIT COMMITTEE:

The Company has constituted an Audit Committee in terms with Clause 49(II)(A) of the Listing Agreement and Section 292A of the Companies Act, 1956.

Pursuant to Section 292A of the Companies (Amendment) Act 2000, the role and responsibility of the Audit Committee includes inter alia:

- a. Overseeing the Companies financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending appointment / removal of external Auditor, fixation of Audit Fee and payment for any other services.
- c. Reviewing with the Management the annual and quarterly financial statements before submission to the Board for approval with particular reference to the matters specified in the Listing Agreement.
- d. Reviewing with the Management external & internal Auditors and adequacy of internal control systems.
- e. Reviewing adequacy of internal Audit function, including structure of the internal audit department, staffing and seniority of the official heading the Department, reporting structure, coverage and frequency of internal audit.
- f. Discussing with internal Auditors any significant findings and follow up thereon.
- g. Reviewing findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h. Discussing with external auditors before the audit commences, the nature and scope of audit as well as to have a post-audit discussion to ascertain any area of concern.
- i. Reviewing the Company's financial and risk management policies.
- j. Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders and creditors.
- k. Other matters as set out in the Listing Agreement as and when required.

The Board has an Audit Committee in terms with Clause 49(II)(A) of the Listing Agreement and Section 292A of the Companies Act, 1956. The Committee comprises of 5 (five) Directors of which four are Independent Directors. The Chairman of the Audit Committee is an Independent Director. The details of composition of the Audit Committee is as follows (1) Shri A. S. Ruia, Chairman of the Audit Committee and Non-Executive Independent Director; (2) Shri K. Kannan, Non-Executive Independent Director; (3) Shri J. N. Godbole, Non-Executive Independent Director; (4) Shri R. S. Loona, Non-Executive Independent Director and (5) Shri H. R. Kilachand, Executive Chairman. The Audit Committee met 4 (four) times during the year under review on 4.5.2012, 10.8.2012, 31.10.2012 and 23.1.2013.

The attendance of the members is shown in the table at Point 2. The said Directors are financially literate and have accounting or related financial management expertise.

The Company has a full-fledged Internal Audit Department which performs periodical internal audit of various functions of the Company. The reports of the Internal Audit Department are placed before the Audit Committee along with the comments of the Management on the action taken to remedy any deficiencies that may be observed on the working of the various departments of the Company. In addition the Company has appointed M/s. Ashok Jayesh & Associates, Chartered Accountants as Independent Internal Auditor, [External]. Representatives of the Statutory Auditors, M/s Haribhakti & Co., Chartered Accountants and Independent Internal Auditor M/s Ashok Jayesh & Associates, Chartered Accountants are invited for the meeting of the Audit Committee.

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4. REMUNERATION COMMITTEE:

As required under Clause 49 of the Listing Agreement, the Board has a Remuneration Committee. The Remuneration Committee consists of (1) Shri K. Kannan, Chairman of the Remuneration Committee and Non- Executive Independent Director; (2) Shri A. S. Ruia, Non-Executive Independent Director; (3) Shri J. N. Godbole, Non-Executive Independent Director; and (4) Shri H. R. Kilachand, Executive Chairman of the Company.

The brief terms of reference of this Committee includes consideration, review and approval of remuneration of Executive Director / Chairman and sitting fees payable to Non-Executive Directors with regard to performance standards and existing industry practices.

The Remuneration Committee met 2 (two) times during the year under review on 17.4.2012 and 10.8.2012. The attendance of the members is shown in the table at Point 2. On 17.4.2012, the Remuneration Committee as well as the Board of Directors of the Company approved the reappointment and remuneration of Shri J. K. Devgupta, Executive Director w.e.f. 11.5.2012 for a period of 2 years i.e until 10.5.2014. On 10.8.2012, the Remuneration Committee as well as the Board of Directors of the Company approved payment of Incentive of ₹ 25 lakh for the year ended 31.3.2012 to Shri H. R. Kilachand, the Whole-time Director designated as Executive Chairman.

During the year under review, Shri H. R. Kilachand, Executive Chairman was paid remuneration of ₹ 63.75 lac (Salary ₹ 17.28 lac, Contribution to Provident Fund and Superannuation Fund ₹ 4.66 lac, Perquisites ₹ 11.81 lac and Incentive ₹ 30 lac) which was within the limits approved by the shareholders at the Annual General Meeting of the Company held on 14.9.2010. The above remuneration does not include Gratuity and leave encashment provision.

During the year under review, Shri J. K. Devgupta, Executive Director was paid remuneration of ₹ 36.15 lac (Salary ₹ 18 lac, Contribution to Provident Fund and Superannuation Fund ₹ 4.86 lac and Perquisites ₹ 13.29 lac) as per the provisions of the Companies Act, 1956 read alongwith Schedule XIII and as approved by the shareholders at the Annual General Meeting held on 14.9.2012. The above remuneration does not include Gratuity and leave encashment provision.

The Non-Executive Directors were paid sitting fees of an aggregate amount of ₹ 9,12,000/- as stated in Para 2 above.

5. SHARE TRANSFER COMMITTEE:

As required under Clause 49 of the Listing Agreement, the Board has a duly constituted Share Transfer Committee comprising of (1) Shri H. R. Kilachand, Chairman of the Share Transfer Committee; (2) Shri A. S. Ruia, Non-Executive Independent Director; and (3) Shri J. N. Godbole, Non-Executive Independent Director to review and approve transfer of shares, issue of duplicate share certificates and transmission of shares received from the heirs of deceased shareholders. The Committee shall meet regularly from time to time for the above purpose, to ensure a prompt return of securities to the shareholders.

The Share Transfer Committee met 4 (four) times during the year under review on 4.5.2012, 10.8.2012, 14.9.2012 and 23.1.2013. The attendance of the members is shown in the table at Point 2. Neither any share transfers nor any requests for demat was pending as on 31st March, 2013.

6. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

As required under Clause 49 of the Listing Agreement, the Board has a duly constituted Shareholders / Investors Grievance Committee consisting of (1) Shri A. S. Ruia, Chairman of the Committee and Non-Executive Independent Director; (2) Shri K. Kannan, Non-Executive Independent Director; and (3) Shri H. R. Kilachand, Executive Chairman. The Shareholders / Investors Grievance Committee was constituted to specifically look into the redressal of Investors' complaints relating to the transfer of shares, non-receipt of Annual Reports and non receipt of dividends declared by the Company etc. During the year ended 31st March, 2013, the Company had received three complaints / grievances from its Shareholders which has been duly resolved. Thus, no complaints are pending as on 31st March, 2013.

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7. SUBSIDIARY COMPANY:

The Audit Committee reviews the financial statements, made by the Company's non-listed subsidiary company. The minutes of the non-listed subsidiary company had been placed before the Board for their attention and major transactions and decisions of the subsidiary. The accounts of the subsidiary are placed before the Directors of the Company and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the subsidiary company.

8. COMPLIANCE OFFICER:

As per Clause 47(a) of the Listing Agreement, the Board has designated Shri Bhautesh Shah, Company Secretary as the Compliance Officer.

Address for Correspondence: Oriental House, 7, J. T. Road, Churchgate, Mumbai 400020

E-mail: bhauteshshah@kesarindia.com

Tel: 22042396 / 22851737

Fax: 22876162

9. GENERAL BODY MEETINGS:

- i. Location and time where the last Annual General Meetings were held:

AGM	Financial Year ended	Date	Location	Time
AGM	31.3.2012	14.9.2012	M. C. Ghia Hall	3:30 p.m
AGM	31.3.2011	29.6.2011	M. C. Ghia Hall	3:00 p.m
AGM	31.3.2010	14.9.2010	M. C. Ghia Hall	3:30 p.m

- ii. The following Special Resolutions were passed in the Annual General Meetings:

Date of AGM	Particulars of Special Resolution passed thereat
14-9-2012	a) Resolution under Section 198, 269, 309, 316, Schedule XIII read with Section III and other applicable provisions of the Companies Act, 1956 relating to appointment and fixing remuneration of Shri J. K. Devgupta for a period of 2 years w.e.f 11.5.2012. b) Resolution under 81(1A) of the Companies Act, 1956 to issue securities upto an amount not exceeding ₹ 25 crore.
29-6-2011	Resolution under 81(1A) of the Companies Act, 1956 to issue securities upto an amount not exceeding ₹ 25 crore.
14-9-2010	a) Resolution under Section 163 of the Companies Act, 1956 for keeping the Register of Members, Registers and Indexes of Debenture holders, Copies of Annual returns and other related books and documents prepared under Section 159 of the Companies Act, 1956 at the premises of the Company's Registrar & Share Transfer Agent, M/s Sharex Dynamic (India Pvt Ltd). a) Resolution under Section 198, 269, 309, 316, Schedule XIII read with Section III and other applicable provisions of the Companies Act, 1956 relating to appointment and fixing remuneration of Shri H. R. Kilachand for a period of 3 years w.e.f 14.9.2010.

- iii. Details of Resolutions passed during the Financial Year 2012-2013 through Postal Ballot, the person who conducted the Postal ballot exercise, procedure for Postal Ballot and details of the Voting Pattern:

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During the year ended March 31, 2013, the Company sought approval from its shareholders for passing Special / Ordinary Resolutions through the process of Postal Ballot in accordance with the provisions of Section 192A of the Act read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011. The Board of Directors of the Company, at its meetings had appointed a Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

The Scrutinizer kept the custody of all Postal Ballot forms in closed envelopes and affixed receipt stamp on envelopes as and when the Postal Ballot forms were received and kept them in a box for which a Register was duly maintained. The declared results of the Postal Ballot were announced through newspaper and were also displayed on the website of the Company, www.kesarinfra.com. Details of the same are given below:

a. Resolutions passed on 7th March, 2013 (Notice dated 23rd January, 2013)

Sr. No.	Particulars	Details / Dates
1.	Date of Board Meeting	23.1.2013
2.	Scrutinizer appointed by the Board of Directors at its Meeting	Ms. Ragini Chokshi M/s Ragini Chokshi & Co. Practicing Company Secretary
3.	Date of Notice seeking Shareholders approval	23.1.2013
4.	Date of completion of dispatch of Notice	1.2.2013
5.	Last date of receipt of duly filled Postal Ballot Form	6.3.2013
6.	Date of submission of Scrutinizer's Report to the Chairman	7.3.2013
7.	Date of decalartion of Result	7.3.2013

b. Particulars of Resolutions passed

Resolution 1: Ordinary Resolution	Resolution under Section 293(1)(a) of the Companies Act, 1956 for authority to the Board of Directors to mortgage / charge all movable and immovable properties of the Company for a sum not exceeding ₹ 400 crore.
Resolution 2: Ordinary Resolution	Resolution under Section 372A of the Companies Act, 1956 to authorize the Board of Directors to make investments in, acquire by way of subscription, purchase or otherwise the securities, make / give loans / deposits / guarantees / securities to Kesar Multimodal Logistics Ltd subject to a limit of ₹ 160 crore.

c. Voting Pattern

Particulars	Total valid votes	Total valid votes cast in favour of the Resolution	Total valid votes cast against the Resolution
Resolution 1	31,36,090	31,33,322 (99.91%)	2,768 (0.09%)
Resolution 2	31,33,201	31,30,503 (99.91%)	2,698 (0.09%)

KESAR TERMINALS & INFRASTRUCTURE LIMITED

- iv. No Special Resolution requiring Postal Ballot is being proposed at the ensuing Annual General meeting of the Company.

10. DISCLOSURES:

- i. No transaction of material nature has been entered into by the Company with its Promoters, Directors, Management, their Subsidiaries or Relatives, etc. that may have a potential conflict with the interests of the Company. However, the Company has given in the notes to accounts, a list of related parties as per Accounting Standard 18 and the transactions entered into with them.
- ii. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges or any Statutory Authority does not arise.
- iii. The company has laid down procedures to inform Board members about risk assessment and minimization. These procedures are periodically reviewed to ensure control of risk through a properly defined framework.
- iv. The Company has complied with all applicable mandatory requirements of Clause 49 of the Listing Agreement. Out of the non-mandatory requirements, the Company has adopted the following:

The Company has constituted a Remuneration Committee to consider, review and approve the remuneration of Executive Director / Chairman and sitting fees payable to Non-Executive Directors with regard to performance standards and existing industry practices.

11. MEANS OF COMMUNICATION:

The Board takes on record the Unaudited Quarterly Financial Results and the Audited Financial Results in the prescribed format of the stock exchange and forthwith fax and send copies of the results to the Bombay Stock Exchange and National Stock Exchange of India Ltd. respectively where the shares of the Company are listed.

The financial results of the Company are published in the "Free Press Journal" in English and "NavShakti" in Marathi newspapers within 48 hours of the conclusion of the meeting of the Board in which they are approved.

The results and all other official news releases are displayed on the websites of the Stock Exchanges: www.bseindia.com and www.nseindia.com and also on the website of the Company, viz. www.kesarinfra.com

Management Discussion & Analysis report has been included as a part of the Annual Report.

12. GENERAL SHAREHOLDERS INFORMATION:

- a. Registered Office : Oriental House,
7, Jamshedji Tata Road,
Churchgate, Mumbai-400020.
- b. Plant Locations : Terminals I & II at Kandla, Gujarat.
- c. Annual General Meeting
 - Date : 11th July, 2013.
 - Time : 3:30 p.m.
 - Venue : M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor,
18/20, Kaikhushru Dubash Marg, Mumbai – 400 001.

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|---|--|
| d. Financial Year | 2012-2013 |
| e. Next Financial Year ending | : 31st March, 2014 |
| f. Next Annual General Meeting | : By 30th September, 2014 |
| g. Financial Reporting for the year 2013-14 | : |
| For 1st quarter ended 30th June, 2013 | By 14th August, 2013 |
| For 2nd quarter ending 30th September, 2013 | By 14th November, 2013 |
| For 3rd quarter ending 31st December, 2013 | By 14th February, 2014 |
| For 4th quarter ending 31st March, 2014 | By 30th May, 2014 |
| h. Date of Book Closure | : Friday, 5.7.2013 to Thursday, 11.7.2013 (both days inclusive) |
| Dividend Payment Date | : The Dividend, if declared shall be paid on 24.7.2013 |
| i. Listing on Stock Exchange | : Bombay Stock Exchange Ltd., Mumbai (BSE)
National Stock Exchange of India Ltd., Mumbai (NSE)
The Company has paid annual listing fees due to BSE and NSE for the year 2013-2014. |
| j. Stock Exchange Code Number | : BSE Scrip Code : 533289
NSE Symbol : KTIL |
| k. Demat ISIN numbers in NSDL & CDSL | : INE096L01017 |

Address for correspondence by the Shareholders of the Company:

M/s. Sharex Dynamic (India) Pvt. Ltd.	Kesar Terminals & Infrastructure Limited.
Registrar & Share Transfer Agents	Oriental House,
Luthra Industria. Premises,	7, J. Tata Road,
Andheri Kurla Road,	Churchgate,
Safed Pool, Andheri (E),	Mumbai-400020
Mumbai – 400 072	Tel: 22042396 / 22851737
Tel.:28515606/ 28515644	Fax: 22876162
Fax: 2851 28 85	Email: bhauteshshah@kesarindia.com
Email: sharexindia@vsnl.com	

Code of Conduct

The Company has a Code of Conduct for its Board of Directors and Senior Management Personnel and the same is posted on the Company's website www.kesarinfra.com. All the Directors and Senior Management Personnel have affirmed compliance of the Code of Conduct. The declaration is signed by the Executive Chairman to that effect and is attached at the end of this report.

Share Transfer System:

The shares sent for transfer are registered and returned within the time limits.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half yearly basis, have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulation, 1996, certificates have also been received from Company Secretary in Practice for timely dematerialization of the shares of the Company and for conducting of Reconciliation of Share Capital Audit of the Company.

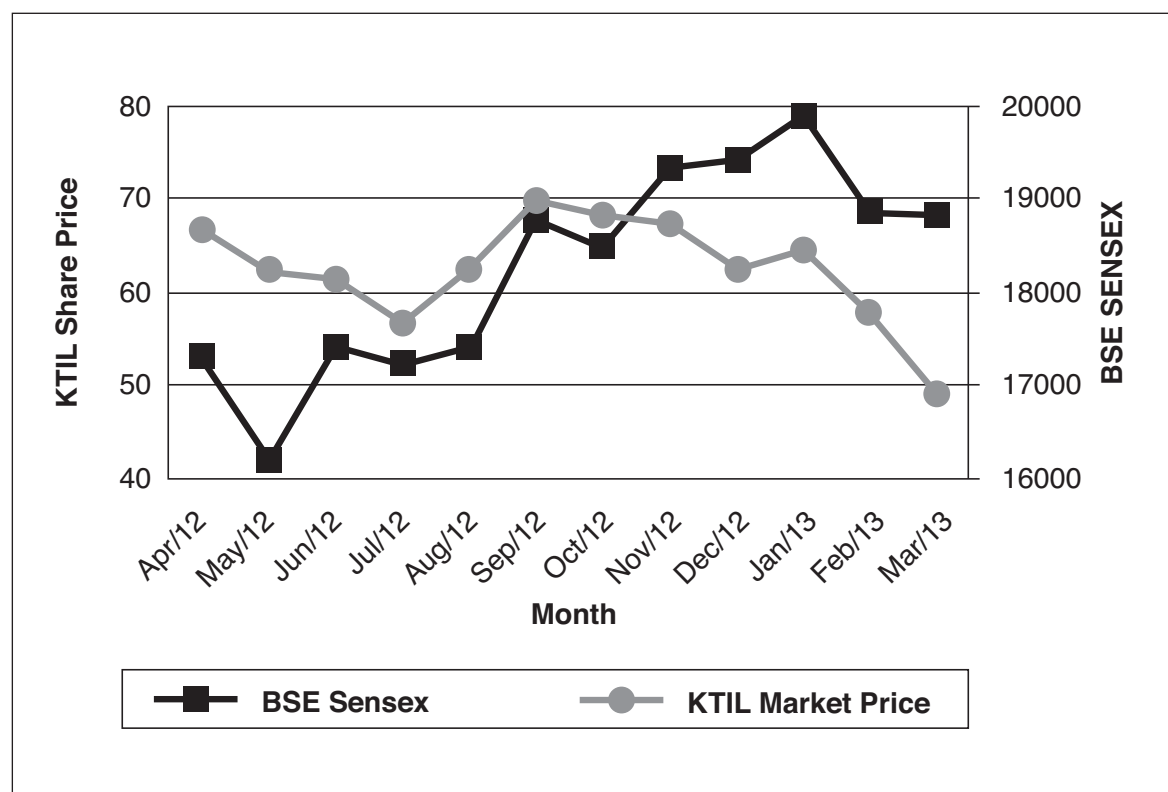
KESAR TERMINALS & INFRASTRUCTURE LIMITED

Stock Market Data:

The monthly high/low quotation of shares traded on BSE & NSE is as follows:

Month	BSE		NSE	
	High	Low	High	Low
April 2012	75.50	63.20	75.00	65.50
May 2012	67.70	61.00	65.85	61.40
June 2012	61.95	55.30	64.95	56.75
July 2012	69.00	54.50	68.50	54.05
August 2012	67.50	56.30	68.10	56.00
September 2012	72.00	59.00	71.10	58.50
October 2012	80.00	68.15	79.85	69.20
November 2012	74.35	64.55	74.00	64.90
December 2012	69.00	59.95	73.30	60.00
January 2013	68.10	60.50	68.40	61.00
February 2013	66.95	55.35	67.00	56.50
March 2013	59.00	48.55	58.85	48.50

Performance of the share price of the Company in comparison to the BSE Sensex:



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Distribution of shareholding as on 31st March, 2012:

Shareholding in Nominal Value of ₹	Share Holders		Share Amount	
		% of Holders	In ₹	% to Total
Upto - 5,000	4255	90.28	4381420	8.34
5,001 -10,000	222	4.71	1585400	3.02
10,001 - 20,000	108	2.29	1503220	2.86
20,001 - 30,000	38	0.81	925040	1.76
30,001 - 40,000	19	0.40	663390	1.26
40,001 - 50,000	8	0.17	367440	0.70
50,001 - 1,00,000	30	0.64	2005250	3.82
1,00,001 - and above	33	0.70	41099970	78.24
Total	4713	100.00	52531130	100.00

Categories of Shareholders as on 31st March, 2013:

About 94.79% of the total shareholding in the Company representing 49,79,298 shares are held in dematerialized form.

	Category of Shareholder	No of Shares Held	No of Shares in Demat Form	%
A.	Promoter & its Group - Indian			
1.	Individual / HUF	875268	816072	16.662
	Bodies Corporate	2272709	2272709	43.264
	Total Shareholding Promoter & Group Total (A)	3147977	3088781	59.926
B.1	Public Shareholding – Institutions			
a	Mutual Funds	70	0	0.001
b	Financial Institutions / Banks	762	276	0.015
c	Central / State Government	770	770	0.015
d	Insurance Companies	473940	473940	9.022
	Sub-Total-B(I)	475542	474986	9.053
B.2	Non-Institutions			
a	Bodies Corporate	308492	307519	5.873
b	Individual Shareholders	1254742	1041792	23.885
c	Others -Clearing Members	2219	2219	0.042
	Non Resident Indians	64141	64001	1.221
	Sub-Total-B(2)	1629594	1415531	31.021
	Total (B)=B(1)+B(2)	2105136	1890517	40.074
	Total (A+B)	5253113	4979298	100.00

There are no Outstanding ADR's / GDR's or any Convertible Instruments as on date.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

Guidance to Shareholders:

1. The shareholders are requested to communicate their bank details, the change of address, if any, directly to M/s Sharex Dynamic (India) Pvt. Ltd., the Registrar & Share Transfer Agent of the Company located at the addresses mentioned in para 12 above.
2. In case of lost / misplaced share certificates, shareholders should immediately lodge a FIR / Complaint with the police and submit with the Company, original / certified copy of FIR / acknowledged copy of the complaint and inform the Company to stop transfer of the said shares.
3. For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. SEBI vide its circular dated 27.4.2007 has made it mandatory for transactions involving transfer of shares in physical form the transferee(s) is required to furnish a copy of PAN card to the Company / RTAs for registration of such transfer of shares. SEBI vide its circular dated 7.1.2010 has made it mandatory to furnish a copy of PAN in the following cases:-
 - a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
 - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
 - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more Shareholders.
4. The Shareholder, whose signature has undergone any change over a period of time, is requested to lodge their new specimen signature duly attested by a bank manager.
5. Any Shareholder of the Company who has multiple folios in identical names are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.
6. **Nomination:** Section 109A of the Companies Act, 1956 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the will etc. it would therefore be in the best interest of shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed of the nomination facility, are requested to avail the same by submitting the nomination form. This form will be made available on request. Shareholders holding shares in demat form are advised to contact their DP's for making nominations.
7. As required by SEBI, shareholders may furnish details of their bank account number and name and address of the bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.
8. Shareholders, holding shares in electronic format are requested to deal only with their depository participants in respect of any change of address, nomination facility and furnishing bank account number etc.
9. Shareholders, who have not encashed their dividend warrants in respect of the dividend declared for the financial year 2009-2010 onwards, are requested to contact the Company and surrender their warrants for revalidation for payment. Shareholders are therefore requested to verify their records and send claims, if any, for the relevant years. The details of declared dividends are as under:

Date of declaration	For the Year	Rate of Dividend	Due date of transfer to IEPF
14.9.2010	2009-2010	Final @ 20%	12.11.2017
4.2.2011	2010-2011	Interim @15%	4.4.2018
29.6.2011	2010-2011	Final @ 10%	27.8.2018
14.9.2012	2011-2012	Final @ 25%	13.11.2019

10. Shareholders may note that unclaimed dividend for a period of seven years from the date it becomes due for payment, shall be transferred to "Investor Education and Protection Fund" (IEPF) in terms of Section 205C of the Companies Act, 1956. Thereafter, the shareholders will not be able to get the same.

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AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of
Kesar Terminals & Infrastructure Limited

We have examined the compliance of conditions of Corporate Governance by Kesar Terminals & Infrastructure Limited, for the year ended on 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Haribhakti & Co.
Chartered Accountants
FRN No.103523W

Place: Mumbai
Date: 21st May, 2013

Atul Gala
Partner
Membership No.48650

KESAR TERMINALS & INFRASTRUCTURE LIMITED

DECLARATION

In accordance with Clause 49 of the Listing agreement with the Stock Exchanges, the Company has laid down a Code of Conduct for its Board of Directors and Senior Management.

I hereby declare that all the Directors and Senior Management have confirmed compliance with the Code of Conduct as adopted by the Company.

Mumbai, 21st May, 2013

H. R. Kilachand
Executive Chairman

CERTIFICATION

The Board of Directors
Kesar Terminals & Infrastructure Limited

We, have reviewed financial statements and the cash flow statement of Kesar Terminals & Infrastructure Ltd. for the year ended 31st March, 2013 and that to the best of our knowledge and belief, we state that:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to taken to rectify these deficiencies.
- (d) we have indicated to the auditors and the Audit committee that:
 - (i) there have been no significant changes in internal control over financial reporting during the year;
 - (ii) there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Mumbai, 21st May, 2013

H. R. Kilachand
Executive Chairman

J. K. Devgupta
Executive Director

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INDEPENDENT AUDITORS' REPORT

To the Members of Kesar Terminals & Infrastructure Limited Report on the Financial Statements

We have audited the accompanying financial statements of Kesar Terminals & Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

2. As required by section 227(3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No.103523W

Date: 21st May, 2013
Place: Mumbai

Atul Gala
Partner
Membership No.48650

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ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Kesar Terminals & Infrastructure Limited on the financial statements for the year ended 31st March, 2013

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed off by the Company during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) The Company had granted unsecured advances in the nature of loan to a Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 93 lacs and the year- end balance of loans granted to such party was Nil.
- (b) In our opinion and according to the information and explanations given to us, terms and conditions of above said interest free loan are not, prima facie, prejudicial to the interest of the Company.
- (c) The above referred Company has repaid the principal amount as stipulated.
- (d) There is no overdue amount with regard to the said loan.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(f) and (g) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of ₹ five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, wealth-tax, service tax, and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth-tax, service tax, sales-tax and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company does not have any accumulated losses as at the balance sheet date. Further, the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank or financial institution. The Company has not issued any debentures.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No.103523W

Date: 21st May, 2013
Place: Mumbai

Atul Gala
Partner
Membership No.48650

Annual Report 2012-2013

BALANCE SHEET AS AT 31ST MARCH, 2013

			(in ₹)
	Note	As at	As at
	No.	31st March, 2013	31st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	3	52,531,130	52,531,130
(b) Reserves and Surplus	4	296,675,082	231,183,029
2 Non-current liabilities			
(a) Long Term Borrowings	5	101,293,760	15,023,693
(b) Deferred tax liabilities (Net)	6	31,911,457	33,311,436
(c) Other Long Term Liabilities	7	-	15,044,755
(d) Long Term Provisions	8	2,646,344	1,749,000
3 Current liabilities			
(a) Trade payables	9	4,059,761	3,574,162
(b) Other Current Liabilities	10	38,129,853	44,154,462
(c) Short Term Provisions	11	34,720,206	26,822,828
		561,967,593	423,394,495
II. ASSETS			
1 Non-current assets			
(a) Fixed Assets	12		
(i) Tangible Assets		315,972,193	288,467,150
(ii) Intangible Assets		540,724	341,872
(iii) Capital Work in Progress		33,795,637	33,431,417
(b) Non Current Investments	13	119,755,000	255,000
(c) Long Term Loans and Advances	14	13,090,348	44,724,060
(d) Other Non- Current Assets	15	2,087,930	8,085,883
2 Current assets			
(a) Inventories	16	1,646,354	1,071,291
(b) Trade Receivables	17	49,568,016	32,714,148
(c) Cash and Bank Balances	18	20,165,378	2,562,823
(d) Short Term Loans and Advances	19	5,002,351	11,577,404
(e) Other Current Assets	20	343,662	163,447
		561,967,593	423,394,495
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For and on behalf of the Board of Directors

For and on behalf of Haribhakti & Co.

Chartered Accountants

FRN NO.103523W

H R Kilachand

J K Devgupta

Executive Chairman

Executive Director

Atul Gala

Partner

A S Ruia

Bhautesh Shah

Membership No. 48650

Director

Company Secretary

Place :- Mumbai

Place :- Mumbai

Date: 21st May, 2013

Date: 21st May, 2013

KESAR TERMINALS & INFRASTRUCTURE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

			(in ₹)
	Note No.	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
I. Revenue From Operations	21	298,509,176	234,109,601
II. Other Income	22	993,048	2,436,168
III. Total Revenue (I + II)		299,502,224	236,545,769
IV. Expenses:			
Employee benefits expense	23	63,452,115	51,396,456
Finance Cost	24	21,259,361	8,157,225
Depreciation and amortization expense		27,518,086	27,852,398
Other expenses	25	60,190,783	45,632,950
Total Expenses		172,420,345	133,039,029
V. Profit before tax (III-IV)		127,081,879	103,506,740
VI. Tax Expense:			
(a) Current tax (including prior period tax provision written off of ₹ 5,52,167 (Previous Year written back of ₹ 14,21,497)		44,552,167	34,499,964
(b) Deferred tax		(1,399,980)	(1,782,730)
VII. Profit (Loss) for the period (V-VI)		83,929,692	70,789,506
VIII. Basic & Diluted Earnings per equity share		15.98	13.48
(Nominal value of shares ₹ 10 (Previous year: ₹ 10)			
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For and on behalf of the Board of Directors

For and on behalf of Haribhakti & Co.

Chartered Accountants

FRN NO.103523W

H R Kilachand

J K Devgupta

Executive Chairman

Executive Director

Atul Gala

Partner

A S Ruia

Bhautesh Shah

Membership No. 48650

Director

Company Secretary

Place :- Mumbai

Place :- Mumbai

Date: 21st May, 2013

Date: 21st May, 2013

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

		(in ₹)
	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
A CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	127,081,879	103,506,739
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	27,518,086	27,852,398
Dividend Income	(379)	-
Interest Income	(870,510)	(494,822)
Interest and Finance Charges	21,259,361	8,157,225
Loss/ (Profit) on sale of Fixed Assets/ Investments	1,287,350	(156,962)
Credit Balances Written Back	(122,159)	(613,887)
Discount given to Debtors	-	2,619,793
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	176,153,628	140,870,484
Movements in working capital:		
Decrease / (Increase) in Inventories	(575,063)	26,314
Decrease / (Increase) in Trade Receivables	(16,853,868)	(9,155,842)
Decrease / (Increase) in Short term Loans & Advances	6,575,053	(8,898,884)
Decrease / (Increase) in Long term Loans & Advances	31,633,712	(34,111,045)
Decrease / (Increase) in Other non current assets	5,614,726	(7,000,000)
Increase / (Decrease) in Trade Payables	485,599	419,033
Increase / (Decrease) in Other Current Liabilities	509,078	(6,267,405)
Increase / (Decrease) in Other Long term Liabilities	(15,044,755)	7,544,755
Increase / (Decrease) in Short term Provisions (Employee benefits)	1,143,900	(1,177,576)
Increase / (Decrease) in Long term Provisions	897,344	231,566
CASH (USED IN) / GENERATED FROM OPERATIONS	190,539,354	82,481,400
Taxes (Paid)/ Refunds	(43,103,545)	(25,705,220)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	147,435,809	56,776,180
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets including Intangible Assets & CWIP	(57,364,550)	(29,200,686)
Sale/Scrap of Fixed Assets	491,000	226,000
(Purchase)/ Sale of Investments	(119,500,000)	(250,000)
Interest Received	1,073,522	376,520
Dividend Received	379	-
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(175,299,650)	(28,848,166)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Addition/ (Repayment) of Borrowings including current maturities	78,450,521	(25,548,931)
Dividends Paid	(12,942,131)	(5,213,912)
Interest Paid	(20,041,994)	(8,394,597)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	45,466,396	(39,157,440)

KESAR TERMINALS & INFRASTRUCTURE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	(in ₹)	(in ₹)
	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	17,602,555	(11,229,426)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,562,823	13,792,249
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20,165,378	2,562,823
COMPONENT CASH AND CASH EQUIVALENTS		
Cash on Hand	19,971	20,442
With Bank on Current Account	4,092,707	2,095,333
on Deposit Account	15,525,000	110,000
unclaimed Dividend Account *	527,700	337,048
TOTAL CASH AND CASH EQUIVALENTS	20,165,378	2,562,823

* The Company can utilise this balance only towards settlement of the respective unclaimed dividend

Note : Figures in brackets are outflows

As per our Report of even date	For and on behalf of the Board of Directors	
For and on behalf of Haribhakti & Co.		
Chartered Accountants		
FRN NO.103523W	H R Kilachand	J K Devgupta
	Executive Chairman	Executive Director
Atul Gala		
Partner	A S Ruia	Bhautesh Shah
Membership No. 48650	Director	Company Secretary
Place :- Mumbai		Place :- Mumbai
Date: 21st May, 2013		Date: 21st May, 2013

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. BACKGROUND

The Company was incorporated on 21st January, 2008. On 12th March, 2010, the Hon'ble High Court of Bombay had passed an order pursuant to Section 391 to 394 of the Companies Act 1956, sanctioning the Scheme of Arrangement by way of Demerger for transfer of the Storage Division of Kesar Enterprises Limited (KEL) into the Company as a going concern with effect from 1st January, 2009 (Appointed Date).

Pursuant to the Scheme of Demerger, in consideration of the transfer of Storage Undertaking into the Company, 4,753,113 Equity Shares of ₹ 10 each, fully paid up are issued and allotted on 1st June, 2010 by the Company to the shareholders of Kesar Enterprises Limited (KEL) in the ratio of 10:7 i.e. for every 10 shares in KEL, 7 shares in the company.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation

The financial statements have been prepared to comply with all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C. Revenue Recognition

Income is generally recognised only when its collection or receipt is reasonably certain. Insurance Claims are recognised only when the claim is passed. Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

D. Fixed Assets

- (a) Fixed Assets except Freehold Land are stated at cost of acquisition less accumulated depreciation. Cost includes interest on borrowings specific or otherwise, used for funding Fixed Assets, till the date of commissioning.
- (b) Leasehold Land and Premium on Leasehold Land is amortised over the period of lease.

E. Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an assets in prior years no longer exists or may have decreased, such reversal of impairment loss is recognised

F. Depreciation

- (a) Depreciation on Plant & Machinery has been provided on higher of Depreciation over estimated useful life and Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- (b) For all other assets, depreciation is provided on higher of Depreciation over estimated useful life and Written Down Value Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- (c) For assets added / disposed off during the year, depreciation has been provided for on pro-rata basis with reference to the period, at the applicable rates.
- (d) Depreciation on assets, whose actual cost do not exceed ₹.5,000 is provided for at the rate of hundred percent.

G. Capital Work-in-Progress

These are stated at cost to date relating to items or projects in progress, incurred during construction / pre-operative period.

H. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as noncurrent investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Noncurrent investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the noncurrent investments.

I. Inventories

Stores and Spares are valued at lower of cost or net realizable value.

J. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

K. Retirement and other employee benefits

- (i) Retirement benefits in the form of Provident Fund and Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss in the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- (ii) Gratuity and Leave Encashment liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method.
- (iii) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation on projected unit credit method.
- (iv) Actuarial gains/losses are charged to Statement of profit and loss and are not deferred.

L. Foreign Exchange Transactions

Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit and loss. In case of forward contracts (non speculative), the exchange differences are dealt with in statement of profit and loss account over the period of contracts.

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

M. Income Tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax assets and liabilities are determined based on the difference between the financial statements and tax basis of assets and liabilities, as measured by the enacted / substantively enacted tax rates. Deferred tax Expense / Income is the result of changes in the net deferred tax assets and liabilities.

Deferred tax assets are recognised only if there is a virtual certainty backed by convincing evidence of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realised.

N. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period (net of prior period items) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss (net of prior period items) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

O. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

P. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Q. Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

R. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

3. SHARE CAPITAL

PARTICULARS	As at 31st March, 2013		As at 31st March, 2012	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹. 10/- each	12,500,000	125,000,000	12,500,000	125,000,000
Redeemable Preference Shares of ₹. 10/- each	2,500,000	25,000,000	2,500,000	25,000,000
Issued, Subscribed & Fully Paid up				
Equity Shares of ₹. 10/- each	5,253,113	52,531,130	5,253,113	52,531,130
Total	5,253,113	52,531,130	5,253,113	52,531,130

(a) Reconciliation of the number of Equity Shares outstanding at beginning and at end of reporting period

	Number	₹	Number	₹
Shares outstanding at the beginning of the year	5,253,113	52,531,130	5,253,113	52,531,130
Shares issued during the year for consideration other than cash	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,253,113	52,531,130	5,253,113	52,531,130

(b) Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2013, the amount of per equity share dividend recognized as distributions to equity shareholders was ₹ 3.00 (31st March, 2012: ₹ 2.50).

(c) Details of each Equity Shareholder holding more than 5% of Shares

PARTICULARS	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kesar Corporation Pvt Limited	1,449,250	27.59%	1,449,250	27.59%
Kesar Enterprises Limited	499,994	9.52%	499,994	9.52%
H R Kilachand	408,633	7.78%	408,633	7.78%

(d) Aggregate Number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

PARTICULARS	Year (Aggregate No. of Shares)				
	2012-13	2011-12	2010-11	2009-10	2008-09
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash *	-	-	4,753,113	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

* Issued pursuant to the Scheme of Demerger, in consideration of the transfer of the Storage Undertaking of the Kesar Enterprises Limited into the Company

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	(In ₹)	
	As at 31st March, 2013	As at 31st March, 2012
4. RESERVES & SURPLUS		
(a) General Reserve		
Opening Balance	119,600,000	112,444,511
(+) Current Year Transfer	50,000,000	7,155,489
Closing Balance	169,600,000	119,600,000
(b) Surplus		
Opening balance	111,583,029	63,212,260
(+) Net Profit for the current year	83,929,692	70,789,506
(-) Proposed Dividends	15,759,339	13,132,783
(-) Dividend Distribution Tax	2,678,300	2,130,465
(-) Transfer to Reserves	50,000,000	7,155,489
Closing Balance	127,075,082	111,583,029
Total	296,675,082	231,183,029

5. LONG TERM BORROWINGS

(a) Secured Borrowings

(i) Term loans From Banks

(1) Expansion Loan

70,000,000	7,497,266
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Secured by exclusive charge on all Fixed Assets and Current Assets both present and future at Kandla.

Terms of Repayments:- Repayable from Oct' 2013 in 48 Equal Monthly Installments. Interest is payable at Base Rate of Lender Bank Plus 2.75% p.a. with monthly rest.

(2) Vehicle Loans

638,507	1,101,375
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Secured by way of hypothecation of respective vehicles. Terms of Repayments:- Repayable in 60 Equated Monthly Installments starting from the date of the loan and carrying Interest @ 8.78% p.a.

(ii) From others (various Finance Companies)

Vehicle Loans

-	
667,611	825,052

Secured by way of hypothecation of respective vehicles. Terms of Repayments:- Repayable in 36 Equated Monthly Installments starting from the date of the loan and carrying Interest ranging from 8.41% to 14.00% p.a.

Total Secured Borrowings

71,306,118	9,423,693
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[Out of total Secured Borrowings of ₹. 82,657,128 (Previous Year ₹. 41,256,266), borrowings of ₹ 11,351,011 (Previous Year ₹.31,832,574) having Current Maturities, have been disclosed in Note No.10]

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	As at 31st March, 2013	(In ₹) As at 31st March, 2012
(b) Unsecured Borrowings		
(1) Loans from Customers	21,550,642	5,600,000
Terms of Repayments:- Repayable in 60 Equated Monthly Installments from the date tanks are put to use and carrying simple interest @ 13% p.a.		
(2) Fixed Deposits from Public	8,437,000	-
Terms of Repayments:- Repayable in one to three years starting from the date of deposit and carrying interest in the range of 12.00 % to 12.50% p.a.		
Total Unsecured Borrowings	<u>29,987,642</u>	<u>5,600,000</u>
[Out of total Unsecured Borrowings ₹. 43,112,158 (Previous Year ₹. 6,062,500), borrowings of ₹ 13,124,516 (Previous Year ₹. 462,500) having Current Maturities, have been disclosed in Note No.10]		
Total	<u><u>101,293,760</u></u>	<u><u>15,023,693</u></u>
6. DEFERRED TAX LIABILITIES (NET)		
(a) Deferred Tax Liability		
Impact of difference between Tax Depreciation & Book Depreciation	33,120,836	33,896,416
(b) Deferred Tax Assets		
Expenses Allowable on payment basis for tax purposes	1,209,379	584,980
Net Deferred Tax Liability (a-b)	<u><u>31,911,457</u></u>	<u><u>33,311,436</u></u>
7. OTHER LONG TERM LIABILITIES		
Others		
(a) Payable to Related Party	-	15,000,000
(b) Interest accrued but not due on borrowings	-	44,755
Total	<u><u>-</u></u>	<u><u>15,044,755</u></u>
8. LONG TERM PROVISIONS		
Provision for employee benefits		
Leave Encashment (unfunded)	2,646,344	1,749,000
Total	<u><u>2,646,344</u></u>	<u><u>1,749,000</u></u>
9. TRADE PAYABLES		
Trade Payables (For Services received)	4,059,761	3,574,162
Total	<u><u>4,059,761</u></u>	<u><u>3,574,162</u></u>

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	(In ₹)	
	As at 31st March, 2013	As at 31st March, 2012
10. OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt		
(i) Current maturities of long-term debt - secured borrowings (refer note no. 5)	11,351,011	31,832,574
(ii) Current maturities of long-term debt - unsecured borrowings (refer note no. 5)	13,124,516	462,500
(b) Interest accrued but not due on borrowings	1,671,746	454,379
(c) Advances from Customers	-	88,698
(d) Unclaimed dividends	527,700	337,048
(e) Payable to Related Party	2,595,687	3,310,957
(f) Payables -(For other contractual obligations)	3,488,722	2,521,751
(g) Payables -(For Capital Goods)	3,252,086	2,318,862
(h) Outstanding Liabilities	465,596	2,038,450
(i) Statutory Dues	1,652,789	789,243
Total	38,129,853	44,154,462
11. SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
(i) Gratuity (Funded)	799,552	-
(ii) Leave Encashment (Unfunded)	862,031	449,000
(iii) Provision for Bonus/Ex-gratia	219,100	287,783
(b) Others		
(i) Provision for Income Tax	14,401,884	10,822,797
[Net of Advance Income Tax of ₹.39,223,251 (Previous Year ₹. 50,062,571)]		
(ii) Proposed Dividend	15,759,339	13,132,783
(iii) Corporate Tax on Dividend	2,678,300	2,130,465
Total	34,720,206	26,822,828

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

12: FIXED ASSETS

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1st April, 2012	Additions	Disposals	Balance as at 1st April, 2012	Depreciation/ amortization charge for the year	On disposals	Balance as at 31st March, 2013	Balance as at 31st March, 2012
(a) Tangible Assets								
(i) Land								
(1) Free Hold Land	38,510,546	1,603,000	-	40,113,546	-	-	40,113,546	38,510,546
(2) Lease Hold Land	567,000	-	-	567,000	18,900	-	67,673	86,573
(3) Lease Hold Land Premium	1,826,902	-	-	1,826,902	60,897	-	218,047	278,944
	40,904,448	1,603,000	-	42,507,448	79,797	-	40,399,266	38,876,063
(ii) Buildings	38,706,171	14,018,437	-	52,724,608	3,091,868	-	33,101,935	22,175,367
(iii) Plant and Equipment	429,398,260	38,650,291	2,304,996	465,743,556	21,610,796	845,003	233,219,511	217,640,008
(iv) Office Equipments	2,035,259	23,800	-	2,059,059	345,991	-	521,147	843,337
(v) Vehicles	9,693,697	912,411	1,082,118	9,523,990	1,583,315	763,761	5,012,786	6,002,047
(vi) Furniture and Fixtures	5,663,351	1,394,984	-	7,058,335	607,764	-	3,717,548	2,930,328
Total	526,401,186	56,602,923	3,387,114	579,616,996	27,319,531	1,608,764	315,972,193	288,467,150
(b) Intangible Assets								
Computer software	1,011,371	397,407	-	1,408,778	198,555	-	540,724	341,872
Total	1,011,371	397,407	-	1,408,778	198,555	-	540,724	341,872
Total (a+b)	527,412,557	57,000,330	3,387,114	581,025,774	27,518,086	1,608,764	316,512,917	288,809,022
(c) Capital Work In Progress								
	33,431,417	2,953,298	2,589,078	33,795,637	-	-	33,795,637	33,431,417
Total (a+b+c)	560,843,974	59,953,628	5,976,192	614,821,411	27,518,086	1,608,764	350,308,554	322,240,439
Previous Year Total	532,145,552	29,200,686	502,265	560,843,974	27,852,398	433,227	322,240,439	

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	(In ₹)	
	As at 31st March, 2013	As at 31st March, 2012
13. NON CURRENT-INVESTMENTS		
Trade Investments (valued at cost)		
Unquoted Equity Instruments		
(a) Investment in Subsidiary Company		
11,975,000 Equity Shares (previous Year 25,000 Equity Shares) of ₹. 10 each fully paid in Kesar Multimodal Logistics Ltd.	119,750,000	250,000
Extent of Holding:- 99.79% (Previous Year 50 %) of total issued and paid up capital of Kesar Multimodal Logistics Limited		
Non trade Investments (valued at cost)		
Investments in Equity Instruments		
(a) Investments in Equity Instruments - Others (Unquoted)	5,000	5,000
200 Shares of ₹.25 each fully paid in Jain Sahakari Bank Ltd		
{Aggregate amount of Unquoted Investments is ₹. 1,197,550,000 (Previous Year ₹. 255,000)}		
Total	119,755,000	255,000
14. LONG TERM LOANS AND ADVANCES		
Unsecured, Considered good		
(a) Capital Advances	2,118,631	10,506,785
(b) Security Deposits	6,508,244	6,501,715
(c) Loans and Advances to Employees	58,329	192,728
(d) Loans and Advances to Related Party		
Advance to Subsidiary Company	4,405,144	27,522,832
Total	13,090,348	44,724,060
15. OTHER NON-CURRENT ASSETS		
Unsecured, Considered good		
(a) Fixed Deposits with maturity of more than 12 months (Held as lien/security with various bank)	1,385,274	7,000,000
(b) Interest accrued on Bank Deposits	103,075	267,263
(c) Interest accrued on staff loan	599,581	818,620
Total	2,087,930	8,085,883
16. INVENTORIES		
Stores and spares (Valued at Lower of Cost and Net Realisable Value)	1,646,354	1,071,291
Total	1,646,354	1,071,291

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	As at 31st March, 2013	(In ₹) As at 31st March, 2012
17. TRADE RECEIVABLES		
Unsecured, Considered good		
(a) Outstanding for a period exceeding six months from the date they are due for payment	-	-
(b) Others	49,568,016	32,714,148
Total	49,568,016	32,714,148
18. CASH AND BANK BALANCES		
A. Cash and Cash Equivalents		
(a) Balance with Banks		
(i) on Current Accounts	4,092,707	2,095,333
(ii) on unclaimed Dividend Accounts	527,700	337,048
(iii) on Fixed Deposits Accounts with original maturity of less than 3 months	15,000,000	110,000
(b) Cash on hand	19,971	20,442
B. Other Bank Balances		
Fixed Deposits with original maturity of more than 3 months but less than 12 months	525,000	-
Total	20,165,378	2,562,823
19. SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered good		
(a) Loans and advances to related parties		
Advance to Subsidiary Company. (Refer Note No: 32)	-	9,300,000
(b) Others		
(i) Gratuity paid in advance (funded)	-	613,500
(ii) Prepaid expenses	2,120,189	996,394
(iii) Service Tax Receivable	2,445,550	286,081
(iv) Loans and Advances to Employees	352,954	218,199
(v) Other advances recoverable in cash or kind	83,658	163,230
Total	5,002,351	11,577,404
20. OTHER CURRENT ASSETS		
Unsecured , Considered Good		
(a) Interest accrued on staff loans	199,788	163,447
(b) Interest accrued on Bank Fixed Deposits	143,874	-
Total	343,662	163,447

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	(In ₹)	
	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
21. REVENUE FROM OPERATIONS		
REVENUE FROM SALE OF SERVICES		
(a) Sale of Services (Income from providing storage tanks on hire/rental basis for liquid cargo and other related services)	295,213,377	232,963,458
(b) Other operating revenue	3,295,799	1,146,143
Total	298,509,176	234,109,601
22. OTHER INCOME		
(a) Interest on		
(i) Fixed Deposits {TDS ₹.116,767 (Previous Year ₹. 22,986)}	784,767	1,170,497
(ii) Others	85,743	494,822
(b) Dividend Income	379	-
(c) Credit Balance Written Back	122,159	613,887
(d) Net Profit on Sale of Fixed Assets	-	156,962
Total	993,048	2,436,168
23. EMPLOYEE BENEFIT EXPENSE		
(a) Salaries and Wages	52,521,897	45,421,033
(b) Contribution to P.F. Funds	5,460,572	5,237,186
(c) Contribution to Gratuity Funds	4,413,053	-
(d) Staff Welfare	1,056,593	738,237
Total	63,452,115	51,396,456
24. FINANCE COST		
(a) Interest Expense	9,999,272	6,850,418
(b) Other Borrowing Costs		
(i) Finance Charges	10,369,830	414,797
(ii) Others including Bank Charges	890,259	892,010
Total	21,259,361	8,157,225
25. OTHER EXPENSES		

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		(In ₹)
	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
(a) Storage & Handling Charges	5,814,489	4,037,934
(b) Power & Fuel	7,321,319	6,379,904
(c) Rent	10,968,234	5,606,382
(d) Repairs		
(i) Plant & Machinery	12,488,308	6,220,691
(ii) Buildings	73,795	158,500
(iii) Others	2,108,188	2,712,962
(e) Insurance	870,785	902,294
(f) Rates & Taxes	267,135	454,401
(g) Selling agent Commission & Brokerage	1,809,559	1,587,653
(h) Legal & Professional Fees	1,627,634	2,445,248
(i) Directors Sitting Fees	912,000	732,000
(j) Auditors Remuneration		
(i) Audit Fees	210,000	160,000
(ii) For Certification	170,000	94,500
(iii) For Other Matters	7,500	-
(iv) Out Of Pocket Expenses	5,773	60,253
(k) Discounts & rebates	-	2,619,793
(l) Loss on Sale of Assets / Assets Discarded	1,287,350	-
(m) Miscellaneous Expenses	14,248,714	11,460,435
Total	60,190,783	45,632,950

26. CAPITAL AND OTHER COMMITMENTS

Estimated amounts of contracts remaining to be executed on capital account and not provided for ₹ Nil
(Previous Year: ₹ 851,505/-)

27. CONTINGENT LIABILITIES

Nature of claim/Demands	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
(a) Claims against the Company not acknowledged as debts:		
Additional demand of Electricity Charges under dispute	5,342,469	5,342,469
(b) Guarantee:		
(i) Corporate Guarantee given in favor of Banker's, towards credit facilities granted to Kesar Multimodal Logistics Limited (Subsidiary Company) (KMLL) to set up a "Composite Logistics Hub" at Powarkheda in Madhya Pradesh.	1081,100,000 *	Nil
(ii) Bank Guarantee given to Madhya Pradesh State Agricultural Marketing Board (Mandi Board) on behalf of Kesar Multimodal Logistics Limited (Subsidiary Company) (KMLL) to set up a "Composite Logistics Hub" at Powarkheda in Madhya Pradesh	Nil **	70,000,000
Total	1,086,442,469	75,342,469

* The exposure as at 31.3.2013 is ₹ 252,611,193 against Corporate Guarantee of ₹ 1,081,100,000.

** The Bank Guarantee is established by KMLL from its bankers, which has replaced the Bank Guarantee established by the Company and hence Bank Guarantee amount is Nil.

28. EMPLOYEE BENEFIT

Defined Benefit Plan (Gratuity Fund)

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

In accordance with Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed by independent actuaries in respect of the aforesaid defined benefit plan.

- (a) The amounts recognized in the balance sheet are as follows:

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
	(₹)	(₹)
Present Value of funded obligations	16,791,621	11,712,000
Fair Value of plan assets	(15,992,069)	(12,325,501)
Net liability	799,552	(613,501)
Amount in balance sheet		
Liabilities	799,552	Nil
Assets	Nil	(613,501)

- (b) The amounts recognized in the statement of profit and loss are as follows:

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
	(₹)	(₹)
Current service cost	826,292	727,944
Interest on obligation	936,960	790,892
Expected return on plan assets	(986,040)	(1,068,162)
Net actuarial losses (gains) recognized in year	3,635,841	769,268
Total included in employee benefit expense	4,413,053	1,219,942
Actual return on plan assets	1,072,740	1,037,755

- (c) Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
	(₹)	(₹)
Opening defined benefit obligation	11,712,000	10,318,000
Service costs	826,292	727,944
Interest costs	936,960	790,892
Actuarial losses (gains)	3,722,541	738,861
Benefits paid	(406,172)	(863,697)
Closing defined benefit obligation	16,791,621	11,712,000

- (d) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March, 2013 (₹)	For the year ended on 31st March, 2012 (₹)
Opening fair value of plan assets	12,325,501	8,960,965
Amount taken credit for last year not credited in funds		(6,455,351)
Expected return on plan assets	986,040	1,068,162
Actuarial gains / (losses)	86,700	(30,407)
Contributions by employer [including internal transfer from Kesar Enterprises Ltd ₹ Nil (Previous year: ₹ 8,288,974/-)]	3,000,000	9,645,829
Benefits paid	(406,172)	(863,697)
Closing fair value of plan assets	15,992,069	12,325,501

(e) Principal actuarial assumptions at the balance sheet date (expressed as weighted average):

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
Discount rate	8.00%	8.00%
Salary escalation rate	8.00%	5.50%
Expected return on plan assets	8.00%	8.00%

(f) Amounts for the current and previous three years are as follows:

Particulars	Defined Benefit (Gratuity) Plan			
	For the year ended on 31st March, 2013 (₹)	For the year ended on 31st March, 2012 (₹)	For the year ended on 31st March 2011 (₹)	For the year ended on 31st March 2010 (₹)
Defined benefit obligation	16,791,621	11,712,000	10,318,000	8,731,000
Plan assets	15,992,069	12,325,501	8,960,965	6,456,240
Surplus/ (deficit)	(799,552)	613,501	(1,357,035)	(2,274,760)

The Company expects to contribute ₹ 799,552/- to Gratuity fund in the next year

(g) Experience Adjustment:

Particulars	Defined Benefit (Gratuity) Plan			
	For the year ended on 31st March, 2013 (₹)	For the year ended on 31st March, 2012 (₹)	For the year ended on 31st March 2011 (₹)	For the year ended on 31st March 2010 (₹)
On plan Liability (Gains)/ Losses	1,626,947	738,861	672,989	2,200,287
On plan Assets Gains/ (Losses)	86,700	(30,407)	(561,174)	

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

29. SEGMENT REPORTING

The Company is mainly engaged in Liquid Storage Business and there is no other reportable business and geographical segment as required in accordance with AS 17.

30. Pursuant to Scheme of Demerger, Leasehold land situated at Kandla Port Trust, presently in the name of Kesar Enterprises Ltd., is in the process of being transferred in the name of the Company.

31. RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18:

Names of related parties and nature of related party relationships:

Name of Related Parties

- (a) Key Management Personnel and their relatives:

Key Management Personnel

Mr. H R Kilachand Executive Chairman

Mrs. M H Kilachand Promoter Director

Relatives of Key Management Personnel

Mr. Rohan H Kilachand Son of Executive Chairman

Ms. Rohita H Kilachand Daughter of Executive Chairman

- (b) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence

Kesar Enterprises Limited

Kesar Corporation Pvt. Ltd.

Indian Commercial Co. Pvt. Ltd.

Kilachand Devchand & Co. Pvt. Ltd.

Kilachand Devchand Commercial Pvt. Ltd.

India Carat Pvt Ltd

Duracell Investments & Finance Pvt. Ltd.

Seel Investment Pvt. Ltd.

- (c) Subsidiary Company:

Kesar Multimodal Logistics Limited

Disclosure of transactions with related parties and the status of outstanding balance as on 31st March, 2013:

Particulars	Kesar Enterprises Limited (₹)	Kesar Multimodal Logistics Ltd (₹)	H R Kilachand (₹)	M H Kilachand (₹)	Indian Commercial Co. Pvt. Ltd. (₹)
(a) Transactions					
Sharing of Common Expenses	16,029,092 (14,679,756)				
Rent Payable					30,000 (120,000)

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Kesar Enterprises Limited (₹)	Kesar Multimodal Logistics Ltd (₹)	H R Kilachand (₹)	M H Kilachand (₹)	Indian Commercial Co. Pvt. Ltd. (₹)
Managerial Remuneration			6,375,360 (5,731,360)		
Director Fees				96,000 (84,000)	
Long term loans and advances		4,405,144 (27,522,832)			
Short term loans and advances		Nil (9,300,000)			
Investment in Share Capital		119,500,000 (250,000)			
(b) Balance outstanding					
Payable for Expenses					
Long term	Nil (15,000,000)				
Short term	2,595,687 (3,310,957)				120,000 (120,000)
Managerial Remuneration			3,000,000 (2,500,000)		
Security Deposit					4,500,000 (4,500,000)
Long term loans & Advances		4,405,144 (27,522,832)			
Short term loans & Advances		Nil (9,300,000)			
Investments		119,750,000 (250,000)			

(Figures in brackets represents previous year)

32. LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARY COMPANY IN ACCORDANCE WITH CLAUSE 32 OF THE LISTING AGREEMENT

Name of Entity: Kesar Multimodal Logistics Ltd.

Particulars	For the year ended on 31st March, 2013 (₹)	For the year ended on 31st March, 2012 (₹)
Balance outstanding	Nil	9,300,000
Maximum amount Outstanding	9,300,000	9,300,000
Terms of Repayments	No	No
Repayment Schedule	Payable on demand	Payable on demand

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

33. SUPPLEMENTARY STATUTORY INFORMATION

Particulars	For the year ended on 31st March, 2013 (₹)	For the year ended on 31st March, 2012 (₹)
(a) Expenditure in foreign currency (Business Promotion Expenses)	558,857	758,749
(b) Earnings in foreign currency	Nil	Nil

34. Based on the information available with the Company regarding the status of the suppliers as defined under the Micro Small and Medium Enterprise Development Act 2006 (the 'MSMED'), no suppliers are outstanding for more than 45 days as per the terms & conditions of the order.
35. The common corporate expenses incurred at Corporate Head Office at Mumbai for the year have been allocated as per the Sharing Agreement between Kesar Enterprises Ltd. and the Company. The amount allocated to the Company is ₹ 16,029,092 (Previous Year ₹ 14,679,756)
36. The Depreciation on Assets constructed at Lease hold land of Kandla Port Trust (KPT) has been charged as per the rates prescribed Schedule XIV as the management expects that the lease will be renewed by the KPT, as had been approved in past.
37. The previous year figures have been regrouped and re-casted wherever necessary.

For and on behalf of the Board of Directors

H R Kilachand
Executive Chairman

J K Devgupta
Executive Director

Place :- Mumbai
Date: 21st May, 2013

A S Ruia
Director

Bhautesh Shah
Company Secretary

KESAR TERMINALS & INFRASTRUCTURE LIMITED

INDEPENDENT AUDITORS' REPORT

THE CONSOLIDATED FINANCIAL STATEMENTS OF KESAR TERMINALS & INFRASTRUCTURE LIMITED

To the Board of Directors of Kesar Terminals & Infrastructure Limited

We have audited the accompanying consolidated financial statements of Kesar Terminals & Infrastructure Limited ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated financial statements" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Kesar Terminals & Infrastructure Limited and its subsidiary.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiary as mentioned in the 'Other Matter' paragraph below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (net) of ₹ 120,000,000 as at March 31, 2013, total revenues of ₹ Nil and net cash inflows amounting to ₹ 36,448,864 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion, so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.103523W

Atul Gala
Partner
Membership No.48650

Date: 21st May, 2013
Place: Mumbai

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CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	(in ₹) As on 31st March, 2013
I. EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share Capital	3	52,531,130
(b) Reserves and Surplus	4	296,675,082
2 Minority Interest		250,000
3 Non-current liabilities		
(a) Long Term Borrowings	5	283,904,950
(b) Deferred tax liabilities (Net)	6	31,911,457
(c) Long Term Provisions	7	2,835,687
4 Current liabilities		
(a) Trade payables	8	4,059,761
(b) Other Current Liabilities	9	45,260,901
(c) Short Term Provisions	10	34,722,943
		752,151,911
II. ASSETS		
1 Non-current assets		
(a) Fixed Assets	11	
(i) Tangible Assets		316,116,719
(ii) Intangible Assets		602,694
(iii) Capital Work in Progress		239,692,494
(b) Non Current Investments	12	5,000
(c) Long Term Loans and Advances	13	62,841,489
(d) Other Non- Current Assets	14	9,346,305
2 Current assets		
(a) Inventories	15	1,646,354
(b) Trade Receivables	16	49,568,016
(c) Cash and Bank Balances	17	66,952,829
(d) Short Term Loans and Advances	18	5,036,349
(e) Other Current Assets	19	343,662
		752,151,911
Significant accounting policies	2	

The accompanying notes are an integral part of the financial statements

Please refer note No: 36 regarding reporting of previous year figures.

As per our Report of even date

For and on behalf of Haribhakti & Co.

Chartered Accountants

FRN NO.103523W

Atul Gala

Partner

Membership No. 48650

Place :- Mumbai

Date: 21st May, 2013

For and on behalf of the Board of Directors

H R Kilachand

Executive Chairman

A S Ruia

Director

J K Devgupta

Executive Director

Bhautesh Shah

Company Secretary

Place :- Mumbai

Date: 21st May, 2013

KESAR TERMINALS & INFRASTRUCTURE LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2013

	Note No.	(in ₹) For the year ended on 31st March, 2013
I. Revenue From Operations	20	298,509,176
II. Other Income	21	993,048
III. Total Revenue (I + II)		299,502,224
IV. Expenses:		
Employee benefits expense	22	63,452,115
Finance Cost	23	21,259,361
Depreciation and amortization expense		27,518,086
Other expenses	24	60,190,783
Total Expenses		172,420,345
V. Profit before tax (III-IV)		127,081,879
VI Tax Expense:		
(a) Current tax (including prior period tax provision written back of ₹ 552,167)		44,552,167
(b) Deferred tax		(1,399,980)
VII Profit (Loss) for the period (V-VI)		83,929,692
VIII Basic & Diluted Earnings per equity share (Nominal value of shares ₹ 10)		15.98
Significant accounting policies	2	

The accompanying notes are an integral part of the financial statements

Please refer note No: 36 regarding reporting of previous year figures.

As per our Report of even date

For and on behalf of the Board of Directors

For and on behalf of Haribhakti & Co.

Chartered Accountants

FRN NO.103523W

H R Kilachand
Executive Chairman

J K Devgupta
Executive Director

Atul Gala

Partner

Membership No. 48650

A S Ruia
Director

Bhautesh Shah
Company Secretary

Place :- Mumbai

Date: 21st May, 2013

Place :- Mumbai

Date: 21st May, 2013

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	(in ₹)
	For the year ended on 31st March, 2013
A CASH FLOW FROM OPERATING ACTIVITIES:	
NET PROFIT BEFORE TAX	127,081,879
Non-cash adjustments to reconcile profit before tax to net cash flows:	
Depreciation	27,556,207
Dividend Income	(379)
Interest Income	(870,510)
Interest and Finance Charges	21,259,361
Loss/ (Profit) on sale of Fixed Assets/ Investments	1,287,350
Credit Balances Written Back	(122,159)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	176,191,749
Movements in working capital:	
Decrease / (Increase) in Inventories	(575,063)
Decrease / (Increase) in Trade Receivables	(16,853,868)
Decrease / (Increase) in Short term Loans & Advances	7,141,054
Decrease / (Increase) in Long term Loans & Advances	(45,640,260)
Decrease / (Increase) in Other non current assets	(1,643,650)
Increase / (Decrease) in Trade Payables	485,599
Increase / (Decrease) in Other Current Liabilities	7,499,031
Increase / (Decrease) in Other Long term Liabilities	(15,044,755)
Increase / (Decrease) in Short term Provisions (Employee benefits)	1,146,637
Increase / (Decrease) in Long term Provisions	1,042,060
CASH (USED IN) / GENERATED FROM OPERATIONS	113,748,534
Taxes (Paid)/ Refunds	(43,103,545)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	70,644,989
B CASH FLOW FROM INVESTING ACTIVITIES :	
Purchase of Fixed Assets including Intangible Assets & CWIP	(245,431,057)
Sale/Scrap of Fixed Assets	491,000
Interest Received	1,073,522
Dividend Received	379
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(243,866,156)
C. CASH FLOW FROM FINANCING ACTIVITIES :	
Addition/ (Repayment) of Borrowings including current maturities	261,061,711
Short Term Borrowings	(805,000)
Dividends Paid	(12,942,131)
Interest Paid	(20,041,994)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	227,272,586
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	54,051,419
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	12,901,410
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	66,952,829

KESAR TERMINALS & INFRASTRUCTURE LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	(in ₹)
	For the year ended on 31st March, 2013
COMPONENT CASH AND CASH EQUIVALENTS	
Cash on Hand	23,251
With Bank on Current Account	50,876,878
on Deposit Account	15,525,000
unclaimed Dividend Account *	527,700
TOTAL CASH AND CASH EQUIVALENTS	66,952,829

* The Company can utilise this balance only towards settlement of the respective unclaimed dividend

Note : Figures in brackets are outflows

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For and on behalf of the Board of Directors

For and on behalf of Haribhakti & Co.
Chartered Accountants
FRN NO.103523W

H R Kilachand
Executive Chairman

J K Devgupta
Executive Director

Atul Gala
Partner
Membership No. 48650

A S Ruia
Director

Bhautesh Shah
Company Secretary

Place :- Mumbai

Place :- Mumbai

Date: 21st May, 2013

Date: 21st May, 2013

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

BACKGROUND

Kesar Terminals & Infrastructure Ltd. ("the Company") was incorporated on 21st January, 2008. On 12th March, 2010, the Hon'ble High Court of Bombay had passed an order pursuant to Section 391 to 394 of the Companies Act 1956, sanctioning the Scheme of Arrangement by way of Demerger for transfer of the Storage Division of Kesar Enterprises Limited (KEL) into the Company as a going concern with effect from 1st January, 2009 (Appointed Date).

Pursuant to the Scheme of Demerger, in consideration of the transfer of Storage Undertaking into the Company, 4,753,113 Equity Shares of ₹ 10 each, fully paid up are issued and allotted on 1st June, 2010 by the Company to the shareholders of Kesar Enterprises Limited (KEL) in the ratio of 10:7 i.e. for every 10 shares in KEL, 7 shares in the Company.

Kesar Multimodal Logistics Ltd. (KMLL or "Subsidiary Company") was incorporated on 30th September, 2011 as a special purpose vehicle to execute Concession Agreement entered on 24th October, 2011 between the Company and the Madhya Pradesh State Agricultural Marketing Board (Mandi Board) to set up a "Composite Logistics Hub" at Powarkheda, Madhya Pradesh, on Public Private Participation (PPP) basis and yet not commenced commercial operations. Accordingly, a Statement of Profit and Loss Account for KMLL is not prepared, since expenses incurred in relation to the project, are classified as "Pre-operative expenditure pending capitalization". KMLL became subsidiary of the Company w.e.f 10th August, 2012.

1 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Kesar Terminals & Infrastructure Ltd and its Subsidiary Company Kesar Multimodal Logistics Ltd. The consolidated financial statements have been prepared on the following basis:

- A. The consolidated financial statements is combined on line-by-line basis by adding together the book values of like items of assets, liabilities after fully eliminating intra Company balances and intra Company transactions in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.
- B. Share of Minority interest's in net assets of the subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's Shareholder.

Minority interest in the net assets of subsidiary consists of:

- (i) The amount of share in Equity Shareholder's Funds attributable to the minority at the date on which investment in subsidiary is made; and
 - (ii) The minority share of movements in share in Equity Shareholder's Funds attributable to the minority, since the date the parent-subsidiary relationship comes into existence.
- C. The Subsidiary Company considered in the consolidated financial statement is

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest
Kesar Multimodal Logistics Ltd.	India	99.79%

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2013****2 SIGNIFICANT ACCOUNTING POLICIES****A. Basis of preparation**

The financial statements have been prepared to comply with all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and its subsidiary Company.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C. Revenue Recognition

Income is generally recognised only when its collection or receipt is reasonably certain. Insurance Claims are recognised only when the claim is passed. Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

D. Fixed Assets

- (a) Fixed Assets except Freehold Land are stated at cost of acquisition less accumulated depreciation. Cost includes interest on borrowings specific or otherwise, used for funding Fixed Assets, till the date of commissioning.
- (b) Leasehold Land and Premium on Leasehold Land is amortised over the period of lease.

E. Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an assets in prior years no longer exists or may have decreased, such reversal of impairment loss is recognised.

F. Depreciation

- (a) Depreciation on Plant & Machinery has been provided on higher of Depreciation over estimated useful life and Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- (b) For all other assets, depreciation is provided on higher of Depreciation over estimated useful life and Written Down Value Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- (c) For assets added / disposed off during the year, depreciation has been provided for on pro-rata basis with reference to the period, at the applicable rates.
- (d) Depreciation on assets, whose actual cost do not exceed ₹ 5,000 is provided for at the rate of hundred percent.

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

G. Capital Work-in-Progress

These are stated at cost to date relating to items or projects in progress, incurred during construction / pre-operative period.

H. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as noncurrent investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Noncurrent investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the noncurrent investments.

I. Inventories

Stores and Spares are valued at lower of cost or net realizable value.

J. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

K. Retirement and other employee benefits

- (a) Retirement benefits in the form of Provident Fund and Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss in the year when the contributions to the respective funds are due. In case of KMLL, contribution is capitalised as "pre-operative expenditure pending for capitalisation". There are no other obligations other than the contribution payable to the respective funds.
- (b) Gratuity and Leave Encashment liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method.
- (c) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation on projected unit credit method.
- (d) Actuarial gains/losses are charged to Statement of profit and loss and are not deferred. In case of KMLL, gain/losses are capitalised as "pre-operative expenditure pending for capitalisation".

L. Foreign Exchange Transactions

Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit and loss. In case of forward contracts (non speculative), the exchange differences are dealt with in statement of profit and loss account over the period of contracts. In case of KMLL, gains/ losses are capitalised as "pre-operative expenditure pending for capitalisation".

M. Income Tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Deferred tax assets and liabilities are determined based on the difference between the financial statements and tax basis of assets and liabilities, as measured by the enacted / substantively enacted tax rates. Deferred tax Expense / Income is the result of changes in the net deferred tax assets and liabilities.

Deferred tax assets are recognised only if there is a virtual certainty backed by convincing evidence of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realised.

N. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period (net of prior period items) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss (net of prior period items) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

O. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

P. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability, but discloses its existence in the financial statements.

Q. Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term. In case of KMLL operating lease payments are capitalised as “pre-operative expenditure pending for capitalisation”.

R. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

3. SHARE CAPITAL

PARTICULARS	As at 31st March, 2013	
	Number	₹
Authorised		
Equity Shares of ₹ 10/- each	12,500,000	125,000,000
Redeemable Preference Shares of ₹ 10/- each	2,500,000	25,000,000
Issued, Subscribed & Fully Paid up		
Equity Shares of ₹ 10/- each	5,253,113	52,531,130
Total	5,253,113	52,531,130

(a) Reconciliation of the number of Equity Shares outstanding at beginning and at end of reporting period

	Number	₹
Shares outstanding at the beginning of the year	5,253,113	52,531,130
Shares issued during the year for consideration other than cash	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	5,253,113	52,531,130

(b) Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2013, the amount of per equity share dividend recognized as distributions to equity shareholders was ₹ 3.00

(c) Details of each Equity Shareholder holding more than 5% of Shares

PARTICULARS	As at 31st March, 2013	
	No. of Shares held	% of Holding
Kesar Corporation Private Limited	1,449,250	27.59%
Kesar Enterprises Limited	499,994	9.52%
H R Kilachand	408,633	7.78%

(d) Aggregate Number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

PARTICULARS	Year (Aggregate No. of Shares)				
	2012-13	2011-12	2010-11	2009-10	2008-09
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash *	-	-	4,753,113	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

* Issued pursuant to the Scheme of Demerger, in consideration of the transfer of the Storage Undertaking of the Kesar Enterprises Limited into the Company.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	(in ₹) As at 31st March, 2013
4. RESERVES & SURPLUS	
(a) General Reserve	
Opening Balance	119,600,000
(+) Current Year Transfer	50,000,000
Closing Balance	<u>169,600,000</u>
(b) Surplus	
Opening balance	111,583,029
(+) Net Profit/(Net Loss) For the current year	83,929,692
(-) Proposed Dividends	15,759,339
(-) Dividend Distribution Tax	2,678,300
(-) Transfer to Reserves	50,000,000
Closing Balance	<u>127,075,082</u>
Total	<u>296,675,082</u>

5. LONG TERM BORROWINGS

(a) Secured Borrowings	
(i) Term loans From Banks	
(1) Expansion Loan	70,000,000
Secured by exclusive charge on all Fixed Assets and Current Assets both present and future at Kandla.	
Terms of Repayments:- Repayable from Oct'2013 in 48 Equal Installments.	
Interest is payable at Base Rate of Lender Bank Plus 2.75% p.a. with monthly rest.	
(2) Project Loan	182,611,190
Secured by way of 1st pari passu charge on all Fixed Assets and 2nd pari passu charge on the Current Assets of the project situated at Powarkheda Dist. Hoshangabad, Madhya Pradesh and Corporate Guarantee by the Company	
Rate of Interest is in the range of 10.95 % to 13.45% p.a.	
Term Loans are repayable in 28 quarterly equal installment starting after the moratorium period of three years from the date of first disbursement of the respective loans.	
(3) Vehicle Loans	638,507
Secured by way of hypothecation of respective vehicles.	
Terms of Repayments:- Repayable in 60 Equated Monthly Installments starting from the date of the loan and carrying Interest @ 8.78% p.a.	
(ii) From others (various Finance Companies)	
Vehicle Loans	667,611
Secured by way of hypothecation of respective vehicles.	
Terms of Repayments:- Repayable in 36 Equated Monthly Installments starting from the date of the loan and carrying Interest ranging from 8.51% to 14.00% p.a.	
Total Secured Borrowings	<u>253,917,308</u>

[Out of total Secured Borrowings of ₹ 265,268,319, borrowings of ₹ 11,351,011 having Current Maturities, have been disclosed in Note No.9]

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	(in ₹) As at 31st March, 2013
(b) Unsecured Borrowings	
(1) Loans from Customers	21,550,642
Terms of Repayments:- Repayable in 60 Equated Monthly Installments from the date tanks are put to use and carrying simple interest @ 13% p.a.	
(2) Fixed Deposits from Public	8,437,000
Terms of Repayments:- Repayable in one to three years starting from the date of deposit and carrying interest in the range of 12.00 % to 12.50% p.a.	
Total Unsecured Borrowings	29,987,642
[Out of total Unsecured Borrowings ₹ 43,112,158, borrowings of ₹ 13,124,516 having Current Maturities, have been disclosed in Note No.9]	
Total	283,904,950
6. DEFERRED TAX LIABILITIES (NET)	
(a) Deferred Tax Liability	
Impact of difference between Tax Depreciation & Book Depreciation	33,120,836
(b) Deferred Tax Assets	
Expenses Allowable on payment basis for tax purposes	1,209,379
Net Deferred Tax Liability (a-b)	31,911,457
7. LONG TERM PROVISIONS	
Provision for employee benefits	
Gratuity Provision	87,135
Leave Encashment (unfunded)	2,748,552
Total	2,835,687
8. TRADE PAYABLES	
Trade Payables (For Services received)	4,059,761
Total	4,059,761

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	(in ₹) As at 31st March, 2013
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9. OTHER CURRENT LIABILITIES

(a) Current maturities of long-term debt	
(i) Current maturities of long-term debt - secured borrowings (refer note no. 5)	11,351,011
(ii) Current maturities of long-term debt - unsecured borrowings (refer note no. 5)	13,124,516
(b) Interest accrued but not due on borrowings	1,957,725
(c) Unclaimed dividends	527,700
(d) Payable to Related Party	2,595,687
(e) Payables -(For other contractual obligations)	3,488,722
(f) Payables -(For Capital Goods)	8,475,047
(g) Outstanding Liabilities	465,596
(h) Statutory Dues	3,274,897
Total	45,260,901

10. SHORT TERM PROVISIONS

(a) Provision for employee benefits	
(i) Gratuity (Funded)	799,552
(ii) Gratuity (Unfunded)	1,215
(iii) Leave Encashment (Unfunded)	863,553
(iv) Provision for Bonus/Ex-gratia	219,100
(b) Others	
(i) Provision for Income Tax (Net of Advance Income Tax of ₹ 39,223,251)	14,401,884
(ii) Proposed Dividend	15,759,339
(iii) Corporate Tax on Dividend	2,678,300
Total	34,722,943

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

11 FIXED ASSETS

(in ₹)

Particulars	Balance as at 1st April, 2012	Gross Block			Balance as at 1st April, 2012	Accumulated Depreciation Depreciation \ amortization charge for the year	Balance as at 31st March, 2013	Net Block Balance as at 31st March, 2013
		Balance as at 1st April, 2012	Additions	Disposals	Balance as at 31st March, 2013			
(a) Tangible Assets								
(i) Land								
(1) Free Hold Land	38,510,546	1,603,000	-	-	40,113,546	-	-	40,113,546
(2) Lease Hold Land	567,000	-	-	-	567,000	18,900	499,327	67,673
(3) Lease Hold Land Premium	1,826,902	-	-	-	1,826,902	60,897	1,608,855	218,047
Total	40,904,448	1,603,000	-	-	42,507,448	79,797	2,108,182	40,399,266
(ii) Buildings	38,706,171	14,018,437	-	-	52,724,608	3,091,868	19,622,673	33,101,935
(iii) Plant and Equipment	429,398,260	38,650,292	2,304,996	-	465,743,556	21,610,796	845,002	233,219,510
(iv) Office Equipments	2,084,908	160,023	-	-	2,244,931	380,331	1,579,257	665,674
(v) Vehicles	9,693,697	912,411	1,082,118	-	9,523,990	1,583,315	4,511,204	5,012,786
(vi) Furniture and Fixtures	5,663,351	1,394,984	-	-	7,058,335	607,764	3,340,787	3,717,548
Total	526,450,835	56,739,147	3,387,114	-	579,802,868	27,353,871	1,608,763	316,116,719
(b) Intangible Assets								
Computer software	1,011,371	463,157	-	-	1,474,528	202,335	871,834	602,694
Total	1,011,371	463,157	-	-	1,474,528	202,335	871,834	602,694
Total (a+b)	527,462,206	57,202,304	3,387,114	-	581,277,396	27,556,207	1,608,763	316,719,413
(c) Capital Work In Progress								
	51,463,741	190,817,831	2,589,078	-	239,692,494	-	-	239,692,494
Total (a+b+c)	578,925,947	248,020,135	5,976,192	-	820,969,890	27,556,207	1,608,763	556,411,907

Note 1 : Depreciation / amortization charge for the year includes Depreciation of Kesar Multimodal Logistics Ltd amounting to ₹ 38,121/- which is capitalised as "pre-operative expenditure pending for capitalisation" and included in Capital Work in Progress

Note 2 : Capital Work in Progress includes ₹ 205,896,857/-, the expenses incurred in relation to project of Kesar Multimodal Logistics Ltd and classified as "Pre-operative expenditure pending capitalization", since Kesar Multimodal Logistics Ltd is yet to commence commercial activity as at the balance sheet date.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	(in ₹) As at 31st March, 2013
12. NON CURRENT-INVESTMENTS	
Non trade Investments (valued at cost)	
Investments in Equity Instruments - Others (Unquoted)	5,000
200 Shares of ₹ 25 each fully paid in Jain Sahakari Bank Ltd	
(Aggregate amount of Unquoted Investments is ₹ 5,000)	
Total	5,000
13. LONG TERM LOANS AND ADVANCES	
Unsecured, Considered good	
(a) Capital Advances	46,374,916
(b) Security Deposits	16,408,244
(c) Loans and Advances to Employees	58,329
Total	62,841,489
14. OTHER NON-CURRENT ASSETS	
Unsecured, Considered good	
(a) Fixed Deposits with maturity of more than 12 months (Under Lien / Security with various Banks)	8,385,274
(b) Interest accrued on Bank Deposits & NSC	361,450
(c) Interest accrued on staff loan	599,581
Total	9,346,305
15. INVENTORIES	
Stores and spares	1,646,354
(Valued at Lower of Cost and Net Realisable Value)	
Total	1,646,354
16. TRADE RECEIVABLES	
Unsecured, Considered good	
(a) Outstanding for a period exceeding six months from the date they are due for payment	-
(b) Others	49,568,016
Total	49,568,016
17. CASH AND BANK BALANCES	
A. Cash and Cash Equivalents	
(a) Balance with Banks	
(i) on Current Accounts	50,876,878
(ii) on unclaimed Dividend Accounts	527,700
(iii) on Fixed Deposits Accounts with original maturity of less than 3 months	15,000,000
(b) Cash on hand	23,251
B. Other Bank Balances	
Fixed Deposits with original maturity of more than 3 months but less than 12 months	525,000
Total	66,952,829

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS		(in ₹) As at 31st March, 2013
18. SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Others		
a) Prepaid expenses		2,120,188
b) Service Tax Receivable		2,445,550
c) Loans and Advances to Employees		352,954
d) Other advances recoverable in cash or kind		117,657
Total		5,036,349

19. OTHER CURRENT ASSETS

Unsecured , Considered Good		
a) Interest accrued on staff loans		199,788
b) Interest accrued on Bank FD		143,874
Total		343,662

PARTICULARS

(in ₹)
For the year
ended on
31st March, 2013

20. REVENUE FROM OPERATIONS

REVENUE FROM SALE OF SERVICES

(a) Sale of Services	295,213,377
(Income from providing storage tanks on hire/rental basis for liquid cargo and other related services)	
(b) Other operating revenue	3,295,799
Total	298,509,176

21. OTHER INCOME

(a) Interest on	
(i) Fixed Deposits (TDS ₹ 116,767)	784,767
(ii) Others	85,743
(b) Dividend Income	379
(c) Credit Balance Written Back	122,159
Total	993,048

22. EMPLOYEE BENEFIT EXPENSE

(a) Salaries and Wages	52,521,897
(b) Contribution to P.F. Funds	5,460,572
(c) Contribution to Gratuity Funds	4,413,053
(d) Staff Welfare	1,056,593
Total	63,452,115

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	(in ₹) For the year ended on 31st March, 2013
23. FINANCE COST	
(a) Interest Expense	9,999,272
(b) Other Borrowing Costs	
(i) Finance Charges	10,369,830
(ii) Others including Bank Charges	890,259
Total	21,259,361
24. OTHER EXPENSES	
(a) Storage & Handling Charges	5,814,489
(b) Power & Fuel	7,321,319
(c) Rent	10,968,234
(d) Repairs	
(i) Plant & Machinery	12,488,308
(ii) Buildings	73,795
(iii) Others	2,108,188
(e) Insurance	870,785
(f) Rates & Taxes	267,135
(g) Selling agent Commission & Brokerage	1,809,559
(h) Legal & Professional Fees	1,627,634
(i) Directors Sitting Fees	912,000
(j) Auditors Remuneration	
(i) Audit Fees	210,000
(ii) For Certification	170,000
(iii) For Other Matters	7,500
(iv) Out Of Pocket Expenses	5,773
(k) Loss on Sale of Assets / Assets Discarded	1,287,350
(l) Miscellaneous Expenses	14,248,714
Total	60,190,783
25 CAPITAL AND OTHER COMMITMENTS	

Estimated amounts of contracts remaining to be executed on capital account and not provided for ₹ 855,718,310/-

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

26 CONTINGENT LIABILITIES

Nature of claim/Demands	As at 31st March, 2013 (₹)
(a) Claims against the Company not acknowledged as debts:	
Additional demand of Electricity Charges under dispute	5,342,469
(b) Guarantee:	
(i) Corporate Guarantee given in favor of Banker's, towards credit facilities granted to KMLL to set up a "Composite Logistics Hub" at Powarkheda in Madhya Pradesh	1,081,100,000 *
(ii) Bank Guarantee given to Madhya Pradesh State Agricultural Marketing Board (Mandi Board) on behalf of KMLL to set up a "Composite Logistics Hub" at Powarkheda in Madhya Pradesh	70,000,000
Total	1,156,442,469

* The exposure as at 31st March, 2013 is ₹ 252,611,193 against Corporate Guarantee of ₹ 1,081,100,000.

27 EMPLOYEE BENEFIT

Defined Benefit Plan (Gratuity Fund)

In accordance with Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed by independent actuaries in respect of the aforesaid defined benefit plan.

(a) The amounts recognized in the balance sheet are as follows:

Particulars	Defined Benefit (Gratuity) Plan For the year ended on 31st March, 2013 (₹)
Present Value of funded obligations	16,879,971
Fair Value of plan assets	(15,992,069)
Net liability	887,902
Amount in balance sheet	
Liabilities	887,902
Assets	Nil

(b) The amounts recognized in the statement of profit and loss are as follows:

Particulars	Defined Benefit (Gratuity) Plan For the year ended on 31st March, 2013 (₹)
Current service cost	914,642
Interest on obligation	936,960
Expected return on plan assets	(986,040)
Net actuarial losses (gains) recognized in year	3,635,841
Total included in employee benefit expense [including ₹ 88,350/- capitalised as "pre-operative expenditure pending for capitalisation"]	4,501,403
Actual return on plan assets	1,072,740

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- (c) Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Defined Benefit (Gratuity) Plan
	For the year ended on 31st March, 2013 (₹)
Opening defined benefit obligation	11,712,000
Service costs	914,642
Interest costs	936,960
Actuarial losses (gains)	3,722,541
Benefits paid	(406,172)
Closing defined benefit obligation	16,879,971

- (d) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Defined Benefit (Gratuity) Plan
	For the year ended on 31st March, 2013 (₹)
Opening fair value of plan assets	12,325,501
Expected return on plan assets	986,040
Actuarial gains / (losses)	86,700
Contributions by employer	3,000,000
Benefits paid	(406,172)
Closing fair value of plan assets	15,992,069

- (e) Principal actuarial assumptions at the balance sheet date (expressed as weighted average):

Particulars	Defined Benefit (Gratuity) Plan
	For the year ended on 31st March, 2013 (₹)
Discount rate	8.00%
Salary escalation rate	8.00%
Expected return on plan assets	8.00%

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(f) Amounts for the current year is as follows:

Particulars	Defined Benefit (Gratuity) Plan
	For the year ended on 31st March, 2013 (₹)
Defined benefit obligation	16,879,971
Plan assets	15,992,069
Surplus/ (deficit)	(887,902)

The Company and its subsidiary Company expects to contribute ₹ 799,552/- to Gratuity fund in the next year.

(g) Experience Adjustment:

Particulars	Defined Benefit (Gratuity) Plan
	For the year ended on 31st March, 2013 (₹)
On plan Liability (Gains)/ Losses	1,626,947
On plan Assets Gains/ (Losses)	86,700

28 SEGMENT REPORTING

The Company is mainly engaged in Liquid Storage Business and its Subsidiary Company i.e. Kesar Multimodal Logistics Ltd., is yet to start its commercial operating activity of Composite Logistics Hub at Powarkheda near Itarsi, in Madhya Pradesh and hence, there is no other reportable business segment as required in accordance with AS 17.

29 Pursuant to Scheme of Demerger, Leasehold land situated at Kandla Port Trust, presently in the name of Kesar Enterprises Ltd., is in the process of being transferred in the name of the Company.

30 RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18:

Names of related parties and nature of related party relationships:

Name of Related Parties

a) Key Management Personnel and their relatives:

Key Management Personnel

Mr. H R Kilachand

Executive Chairman

Mrs. M H Kilachand

Promoter Director

Relatives of Key Management Personnel

Mr. Rohan H Kilachand

Son of Executive Chairman

Ms. Rohita H Kilachand

Daughter of Executive Chairman

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- b) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence

Kesar Enterprises Limited

Kesar Corporation Pvt. Ltd.

Indian Commercial Co. Pvt. Ltd.

Kilachand Devchand & Co. Pvt. Ltd.

Kilachand Devchand Commercial Pvt. Ltd.

India Carat Pvt Ltd

Duracell Investments & Finance Pvt. Ltd.

Seel Investment Pvt. Ltd.

Disclosure of transactions with related parties and the status of outstanding balance as on 31st March, 2013:

Particulars	Kesar Enterprises Limited (₹)	H R Kilachand (₹)	M H Kilachand (₹)	Indian Commercial Co. Pvt. Ltd. (₹)
(a) Transactions				
Sharing of Common Expenses	16,029,092			
Rent Payable				30,000
Managerial Remuneration		6,375,360		
Director Fees			96,000	
Short term loans and advances repaid	805,000			
(b) Balance outstanding				
Payable for Expenses Short term	2,595,687			120,000
Managerial Remuneration		3,000,000		
Security Deposit				4,500,000
Investments	250,000			

31 SUPPLEMENTARY STATUTORY INFORMATION

	For the year ended on 31st March, 2013 (₹)
(a) Expenditure in foreign currency (Business Promotion Expenses)	558,857
(b) Earnings in foreign currency	Nil

- 32 Based on the information available with the Company and its Subsidiary Company regarding the status of the suppliers as defined under the Micro Small and Medium Enterprise Development Act 2006 (the 'MSMED'), no suppliers are outstanding for more than 45 days as per the terms & conditions of the order.

Annual Report 2012-2013

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- 33 The common corporate expenses incurred at Corporate Head Office at Mumbai for the year have been allocated as per the Sharing Agreement between Kesar Enterprises Ltd. and the Company. The amount allocated to the Company is ₹ 16,029,092.
- 34 The Depreciation on Assets constructed at Lease hold land of Kandla Port Trust (KPT) has been charged as per the rates prescribed Schedule XIV as the management expects that the lease will be renewed by the KPT, as had been approved in past.
- 35 **FINANCIAL INFORMATION OF SUBSIDIARY COMPANY AS REQUIRED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956:**

Particulars	For the year ended on 31st March, 2013 (₹)
Share Capital	120,000,000
Reserves	Nil
Total Assets	314,339,463
Total Liabilities	314,339,463
Investments	Nil
Turnover	Nil
Profit before Taxation	Nil
Provision for Taxation	Nil
Profit after Taxation	Nil
Proposed Dividend	Nil

- 36 KMLL becomes subsidiary of the Company with effect from 10th August, 2012, accordingly consolidated financial statement are presented for the first time and hence previous year figures have not been reported.

For and on behalf of the Board of Directors

H R Kilachand
Executive Chairman

J K Devgupta
Executive Director

Place :- Mumbai
Date: 21st May, 2013

A S Ruia
Director

Bhautesh Shah
Company Secretary

KESAR TERMINALS & INFRASTRUCTURE LIMITED

Dear Shareholder,

Sub: “GO GREEN” initiative of the Ministry of Corporate Affairs (“MCA”), Government of India

The Ministry of Corporate Affairs (“MCA”), Government of India, has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by companies vide circular no. 17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011, in terms of which a company would have ensured compliance with the provisions of Section 53 of the Act, if services of documents have been made through electronic mode. The companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. The Company thus proposes to send all documents to the Shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors’ Report, Auditors’ Report, etc. henceforth to the shareholders in electronic form in lieu of the physical form.

Shareholders holding shares in Physical form are requested to furnish your email id for the purpose of serving of documents by the Company in the electronic mode **in the form attached on the next page at the address of our (RTA) M/s SHAREX DYNAMIC (INDIA) PVT LTD. Unit-1, Luthra Ind Premises, Safed Pool, Andheri Kurla Road, Andheri East, Mumbai 400072.**

Shareholders holding shares of the Company in electronic form and do not have any email id registered in your Demat Account with the Depository. You are requested to furnish your email id in **your Demat Account with your Depository-Participant (DP)** for the purpose of serving of documents by the Company in the electronic mode.

Shareholders holding shares of the Company in electronic form and have registered your email-id, in the records of the Depositories viz NSDL/CDSL and which has been made available to us as per the records maintained at the depository. **Please inform any changes in your email-id to your depository participant (DP) only**, for the purpose of serving of documents by the Company in the electronic mode.

As a member of the company, In case you desire to receive documents stated above in physical form, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any time. Please write to us, quoting your Registered Folio Number at Registered Office of the Company or email to bhauteshshah@kesarindia.com or to our Registrar & Share Transfer Agents M/s Sharex Dynamic (India) Pvt. Ltd.

The Annual Report of the Company would also be made available on the Company’s website at www.kesarinfra.com.

In case you desire to receive the documents stated above in physical form

We are sure that you will welcome the “Green Initiative” taken by the MCA and your company’s desire to participate in the same.

We look forward to your support in this initiative.

Annual Report 2012-2013

To,

Sharex Dynamic (India) Pvt. Ltd.,
Unit No. 1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri (East),
Mumbai – 400072

Unit : Kesar Terminals & Infrastructure Limited

Dear Sir,

Sub: “GO GREEN” initiative of the Ministry of Corporate Affairs (“MCA”), Government of India

We are happy to note that our Company has taken up this initiative. We give below our email-id, for the purpose of serving of documents like General Meeting Notices (including AGM), Audited Financial Statements, Directors’ Report, Auditors’ Report, etc. by the Company in electronic mode.

Name of the Shareholder(S) :

Folio-No. :

Email id(s): :

Thanking you,

Yours faithfully.

Signature(s) of the Shareholders.

Dated :

KESAR TERMINALS & INFRASTRUCTURE LIMITED

Registered Office : Oriental House, 7, Jamshedji Tata Road,
Churchgate, Mumbai 400 020.

ATTENDANCE SLIP

Please fill and hand it over at the entrance of the Meeting Hall

I hereby record my presence at the 5th Annual General Meeting of the Company, to be held on Thursday, 11th July, 2013 at 3:30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001

Client ID*	DP ID No.*
Folio No.	No. of Shares

Name and Address of the Member:

KESAR TERMINALS & INFRASTRUCTURE LIMITED

Registered Office : Oriental House, 7, Jamshedji Tata Road,
Churchgate, Mumbai 400 020.

PROXY FORM

I/We in the district of
of being a Member/ Members of Kesar Terminals & Infrastructure Ltd. hereby appoint
of in the district of
of or failing him / her
of or failing him / her
of as my / our proxy to vote for me / us and on my / our behalf at the 5th Annual General Meeting of the Company, to be held on Thursday, 11th July, 2013 at 3:30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001 or at any adjournment thereof.

Client ID*	DP ID No.*
Folio No.	No. of Shares



Signed this _____ day of _____, 2013

Signature of Member or Proxy or Representative

* Applicable for investors holding shares in electronic form.

(Signature)

NOTE : The Proxy in order to be effective should be duly filled up, stamped, signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the company.

* Applicable for investors holding shares in electronic form.

BOOK POST



If undelivered please return to:

KESAR TERMINALS & INFRASTRUCTURE LIMITED

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

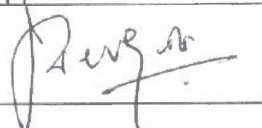

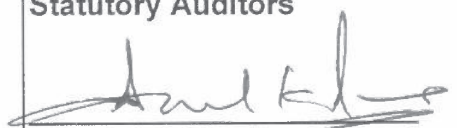


KESAR TERMINALS & INFRASTRUCTURE LIMITED

Oriental House, 6th Floor, 7 Jamshedji Tata Road, Churchgate, Mumbai-400 020. India. www.kesarinfra.com
Phone: (+91-22)22042396/22851737 Fax: (+91-22)22876162 Email: headoffice@kesarinfra.com

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Kesar Terminals & Infrastructure Ltd.
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Since, the Audit Report is Unqualified, the particular clause is Not Applicable
5.	To be signed by-	
	• CEO/Managing Director	 Shri J K Devgupta, Executive Director
	• CFO	(The Company does not have a CFO)
	• Auditor of the company	 Shri Atul Gala, Partner M/s. Haribhakti & Co., Statutory Auditors
	• Audit Committee Chairman	 Shri A S Ruia, Director and Chairman of the Audit Committee