



KESAR TERMINALS & INFRASTRUCTURE LIMITED

Regd. Off: Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai - 400 020, India. Website : <http://www.kesarinfra.com>
Phone : (+91-22) 22042396 / 22851737 Fax : (+91-22) 22876162 Email : headoffice@kesarinfra.com
CIN : L45203MH2008PLC178061

11th August, 2016

To,

The Secretary Corporate Relationship Department Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	The Assistant Vice President Listing Department, National Stock Exchange of India Ltd. 5 th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
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Dear Sir / Madam,

Sub.: Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

With reference to above we are sending herewith Annual Report for the Financial Year 2015-16 as required under Regulation 34 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

Kindly put the same on your notice board for the information of your Members and also for the Shareholders of the Company.

Thanking you,
Yours faithfully,
For **Kesar Terminals & Infrastructure Ltd.**

Dilip Maharana
Company Secretary
Encl: As above



8th Annual Report
2015~16

KESAR TERMINALS & INFRASTRUCTURE LIMITED

KESAR TERMINALS & INFRASTRUCTURE LIMITED

MISSION

“To provide world class services in **warehousing and other storage facilities** for domestic and exim **Bulk liquid and dry bulk cargo** of all kinds, on a pan India basis, upholding our core principle of **Trust and Excellence.**”

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KESAR TERMINALS & INFRASTRUCTURE LIMITED

(Incorporated under the Companies Act, 1956)

CIN:L45203MH2008PLC178061

COMPANY INFORMATION

BOARD OF DIRECTORS

H R KILACHAND (Chairman - upto 29.4.2016)
A S RUIA (Chairman – w.e.f. 29.4.2016 - Independent Director)
SMT. M H KILACHAND (Non-Executive Director)
J N GODBOLE (Independent Director)
R S LOONA (Independent Director)
J K DEVGUPTA (Non-Executive Director)
R H KILACHAND (Executive Director w.e.f 29.4.2016)

CHIEF FINANCIAL OFFICER

V J DOSHI

COMPANY SECRETARY

BHAUTESH SHAH (upto 5.1.2016)
DILIP MAHARANA (w.e.f. 26.5.2016)

BANKERS

Yes Bank

AUDITORS

M/s. Haribhakti & Co. LLP, 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 (East),
Mumbai – 400 072

AUDIT COMMITTEE MEMBERS

A S RUIA (Chairman)
J N GODBOLE
R S LOONA
H R KILACHAND (upto 29.4.2016)
R H KILACHAND (Executive Director – w.e.f. 29.4.2016)

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NOTICE

NOTICE is hereby given that the 8th Annual General Meeting of the Members of **KESAR TERMINALS & INFRASTRUCTURE LIMITED** (CIN: L45203MH2008PLC178061) will be held on **Wednesday, 3rd August, 2016 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 Standalone and Consolidated Balance Sheet as at 31st March, 2016 and Statement of Profit & Loss 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 (DIN 00296504), who retires by rotation and being eligible offers herself for reappointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) and the Rules framed thereunder and pursuant to the recommendation of the Audit Committee, the appointment made of M/s. Haribhakti & Co. LLP, Chartered Accountants (Registration No.103523W), as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in the calendar year 2017, be and is hereby ratified on a remuneration of Rs.5,50,000/- plus service tax and to reimburse travelling and other out of pocket expenses incurred by them in performance of their duties.”

SPECIAL BUSINESS:

5. 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 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including, any statutory amendment, modification or re-enactment thereof and other requisite approvals as may be necessary, and also subject to approval of the Central Government, if required, approval be and is hereby granted for appointment of Shri Rohan H Kilachand as Whole-Time Director designated as “Executive Director” of the Company, entrusted with substantial powers of the management, for a period of 3 years from 29.4.2016 to 28.4.2019, on a remuneration as per Schedule V of the Act, and on the terms and conditions as specifically set out below:

I. Salary:

[A] In case, the Company has sufficient Net Profit (calculated as per Section 198 of the Act) in any financial year:

- a. Salary of Rs.2,50,000/- per month or Rs.30,00,000/- per annum, which may be revised by the Board, from time to time, based on the performance of the Company, within the overall limit of 5% of the net profit of the Company.
- b. Incentives, within the overall limit of 5% of the net profit of the Company for each financial year or part thereof computed in the manner as laid down under Section 198 of the Companies Act, 1956 and subject to the overall ceiling laid down under Section 196 and 197 of the Companies Act, 2013 after deducting Salary & Perquisites as provided herein.

OR

[B] In case, the Company has no profits or its profits are inadequate:

Salary of Rs.2,50,000/- per month or Rs.30,00,000/- per annum or the salary as revised by the Board, from time to time, but not exceeding Rs.3,50,000/- per month or Rs.42,00,000/- per annum [or any higher limit as revised from time to time under the Act] plus Perquisites as Remuneration as per Schedule V.

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II. Perquisites:

Shri Rohan H Kilachand would be entitled to the following perquisites:

Forming part of the above mentioned Salary:

- i House Rent Allowance @ 60% of the Salary.
- ii Medical reimbursement upto the limit under the Income Tax Act.
- iii Leave and Leave accumulation as per rules of the Company.
- iv Leave Travel Concession for self and family once in a year subject to one months' Salary per annum.

Not forming part of the above mentioned Salary:

- v Medclaim and Personal accident insurance premium as per rules of the Company.
- vi Club Membership Fees for 2 clubs
- vii The Company shall provide a car with driver or reimburse the Driver's Salary, for the Company's business.
- viii The Company shall provide communication facilities such as mobile, telephone, internet etc. the expenditure on which shall not be considered as perquisite. However, long distance personal calls shall be billed by the Company.

He would also be eligible to the following perquisites, not to be included in computation of the ceiling limit:

- i. The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent, not taxable under the Income Tax Act.
- ii. Gratuity @ not exceeding 15 days salary for each completed year of service.
- iii. Encashment of accumulated leave at the end of the tenure.

He would be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.

No sitting fees would be paid to him for attending the Board / Committee Meetings.

"RESOLVED FURTHER THAT the aforesaid remuneration would nevertheless be paid and allowed to Shri Rohan H Kilachand as the minimum remuneration, within the overall ceiling limits specified in Schedule V to the Companies Act, 2013 or any amendments thereto from time to time, notwithstanding that in any financial year of the Company during the tenure of office of Shri Rohan H Kilachand, the Company might have made no profits or its profits might be inadequate."

"RESOLVED FURTHER THAT Shri Rohan H Kilachand would not be regarded as a Director liable to retire by rotation."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with Section 63 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the Regulations and Guidelines issued by the Securities and Exchange Board of India (SEBI), including the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time) and applicable regulatory authorities as may be required and pursuant to the relevant provisions of Articles of Association of the Company and the recommendation of the Board of Directors of the Company (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf), and subject to such permissions, sanctions and approvals as may be necessary in this regard, consent of the Members be and is hereby accorded to the Board for capitalization of Rs.21,01,250/- (Rupees Twenty One Lac One Thousand Two Hundred Fifty Only) out of the Free Reserves of the Company, as may be decided by the Board for distribution amongst the holders of existing fully paid Equity Shares of Rs.10/- each of the Company, whose names will appear in the Register of Members / List of Beneficial Owners of the Company on a date (Record Date) to be decided by the Board of Directors (including a Committee thereof), as an increase in the Equity Share Capital of the Company held by each such Member, and not as income or in lieu of dividend, credited as 2,10,125 new fully paid Equity Shares of Rs.10/- as Bonus Shares in proportion of

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One (1) new Equity Share of Rs.10/- each for every Twenty Five (25) existing fully paid Equity Shares of Rs.10/- each held by the Members."

"RESOLVED FURTHER THAT the new Equity Shares of Rs.10/- each to be issued and allotted as Bonus Shares shall be subject to the provisions of Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects with and carry the same rights as the existing fully paid up Equity Shares of the Company and shall be entitled to dividend to be declared after the allotment of Bonus Shares."

"RESOLVED FURTHER THAT no allotment letters shall be issued to the allottees of the Bonus Shares and that the Certificate(s) in respect of the Bonus Shares shall be issued and thereafter dispatched to the allottees thereof within the period prescribed from time to time, except in respect to those allottees holding shares in dematerialized form whose shares shall be credited to their respective demat accounts."

"RESOLVED FURTHER THAT the allotment of the Bonus Shares as aforesaid, to the extent they relate to the non-resident members of the Company, shall be subject to such approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and Regulations there under, as amended from time to time, as may be necessary."

"RESOLVED FURTHER THAT in case of fractional shares, if any, arising out of the issue and allotment of Bonus Shares, the Company shall not issue any certificate or coupon in respect thereof but all such fractional entitlements, shall be consolidated into fully paid up Bonus Shares, rounded off, if any to the next whole number, which shall be allotted by the Board to one of the Directors of the Company, to be nominated by the Board for this purpose, who shall hold the same as trustee(s) for the Members entitled thereto, and sell the said shares so arising at the prevailing market rate and pay to the Company the net sale proceeds thereof, after adjusting there from the cost and expenses in respect of such sale, for distribution to Members in proportion to their fractional entitlements."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to apply for Listing of the said Bonus Shares to the Stock Exchanges where the shares of the Company are listed and to make necessary application with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for crediting the Bonus Shares to the individual Depository accounts of the allottees."

"RESOLVED FURTHER THAT for the purposes of giving effect to the aforesaid resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions from time to time as may be necessary, expedient usual or proper and to settle any question or doubt that may arise in relation thereto or otherwise reconsider the matter within changed circumstances, if any, as it may at its discretion deem necessary or desirable for such purpose and delegate all or any of the powers as conferred by this resolution on it, to any Committee of Directors of the Company to give effect to the aforesaid resolutions."

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 61(1)(d) (including any modification or re-enactment thereof) and any other applicable provisions, if any, of the Companies Act, 2013 (Act) read with the Rules under the Act and in accordance with the Memorandum and Articles of Association of the Company and subject to approvals, consents, permissions and sanctions as may be necessary from any authority, whether statutory or otherwise, consent of the Members be and is hereby granted to sub divide every Equity Share of Rs.10/- each into two (2) Equity Shares of Rs.5/- each with effect from the 'Record Date' to be determined by the Board of Directors (hereinafter referred to as 'the Board', which expression shall be deemed to include the Committee thereof)."

"RESOLVED FURTHER THAT Pursuant to the sub-division of the Equity Shares of the Company, the Authorised, Issued, Subscribed and paid-up Equity Share capital of face value of Rs.10/- each, shall stand sub-divided into 2 (Two) Equity shares of face value of Rs.5/- (Rupees Five only) each from the record date and shall rank pari passu in all respects with and carry the same rights as the existing fully paid-up Equity Shares of Rs.10/- (Rupees Ten only) each of the Company.

"RESOLVED FUTHER THAT upon sub-division of Equity Shares of the Company as aforesaid, the existing share certificate(s) of the Equity Shares of face value of Rs. 10/- (Rupees Ten only) each both in electronic and physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date of sub-division and the Company may, without requiring the surrender of existing share certificate(s), directly issue and dispatch the new share certificate(s) of the Company in lieu of such existing share certificate(s) within the prescribed period and give proportionate credit of shares to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Share before sub-division."

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"RESOLVED FURTHER THAT the Board be and is hereby authorised to make appropriate adjustments due to sub-division of shares as aforesaid after adjusting for the issue of Bonus Shares as approved by the shareholders."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to fix the Record Date and to take such steps as may be considered necessary or expedient and to delegate all or any of its powers to any other committee as may deem appropriate in this regard."

"RESOLVED FURTHER THAT Shri R H Kilachand, Executive Director, or Shri V J Doshi, Chief Financial Officer or Shri Dilip Maharana, Company Secretary of the Company be and are hereby jointly/severally authorized to do all such acts, deeds and things as may be considered necessary and expedient to give effect to this resolution, execution of all necessary documents with the Stock exchanges and the Depositories and/or any other relevant statutory authority, if any, cancellation or rectification of the existing physical share certificates in lieu of the equity shares as aforesaid or for any matters connected herewith or incidental thereto."

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 Sections 13 and 61(1)(d) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Clause V of the Memorandum of Association of the Company be and is hereby amended and substituted by the following:

- V The Authorized Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crore Only) divided into 2,50,00,000 Equity Shares of Rs.5/- each aggregating to Rs. 12,50,00,000 (Rupees Twelve Crore Fifty Lac Only) and 25,00,000 Redeemable Preference Shares of Rs.10/- each aggregating to Rs.2,50,00,000 (Rupees Two Crore Fifty Lac Only).

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (which expression shall also include a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s)."

9. 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 188 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to requisite consents, sanctions and permissions, as may be necessary, and all other provisions of applicable laws, consent of the Members be and is hereby accorded to ratify and approve the contract or arrangement entered into/proposed to be entered into with Kesar Multimodal Logistics Limited (KMLL), the Subsidiary of the Company and a related party under Section 2(76) of the Act, with respect to rendering of service for an amount upto not exceeding a sum of Rs.79 crore over a period from 1st April, 2016 up to 31st March, 2017, on such terms and conditions as may be mutually agreed between the Company and KMLL."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to any person(s) as they deem fit to give effect to this Resolution and for the matters connected herewith or incidental hereto."

Registered Office:

Oriental House,
7, Jamshedji Tata Road,
Churchgate,
Mumbai-40002

1st July, 2016

By Order of the Board of Directors

Dilip Maharana
Company Secretary

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NOTES:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.

- b) The register of members and share transfer books of the Company shall remain closed from **Wednesday, 27th July 2016 to Wednesday, 3rd August 2016 (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) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- h) The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs, Government of India, has permitted companies to send official documents to their Members electronically as part of its green initiatives in Corporate Governance. To support the green initiative of the Ministry of Corporate Affairs, the Notice convening the AGM, Directors' Report, Management Discussion and Analysis, Corporate Governance Report, Auditors' Report, Financial Statements etc, is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. Members who have not registered their email addresses so far are requested to register their email address with their Depository Participant only, for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- i) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
- j) In compliance with the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has considered 27th July, 2016 to determine the eligibility of Members to vote by electronic means or through physical ballot at the AGM (Cut off date). The persons whose names appear on the Register of Members/List of Beneficial Owners as on the Cut off date would be entitled to vote through electronic means or through physical ballot at the AGM.
- k) Brief resume of Director proposed to be appointed / re-appointed, nature of his expertise in specific functional areas, names of companies in which he holds Directorships and memberships / chairmanships of Board / Committees, shareholding and relationships between Directors inter-se as required under SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, are provided in the Annexure to the Notice and the Corporate Governance Report forming part of the Annual Report.

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l) E-Voting:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 8th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Company has signed an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their vote electronically.

Process for E-Voting

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on 31st July, 2016 at 9:00 a.m and ends on 2nd August, 2016 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 27th July, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iii) Click on **Shareholders**.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the **Image Verification** as displayed and Click on **Login**.
- (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	<ul style="list-style-type: none">In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on **"SUBMIT"** tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach **'Password Creation'** menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

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- (xi) Click on the **EVS**N for the relevant **Company Name** on which you choose to vote.
- (xii) On the voting page, you will see **“RESOLUTION DESCRIPTION”** and against the same the option **“YES/NO”** for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.
- (xiii) Click on the **“RESOLUTIONS FILE LINK”** if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on **“SUBMIT”**. A confirmation box will be displayed. If you wish to confirm your vote, click on **“OK”**, else to change your vote, click on **“CANCEL”** and accordingly modify your vote.
- (xv) Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on **“Click here to print”** option on the Voting page.
- (xvii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on **Forgot Password** & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**
- xx) In case of members receiving the physical copy of Notice of AGM [for members whose email IDs are not registered with the Company / Depository participants(s) or requesting physical copy], you may please follow the above the steps.
- xxi) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- xxii) Ms. Ragini Chokshi, Partner of M/s Ragini Chokshi & Co., Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- xxiii) The Results declared along with the Scrutinizer’s report shall be placed on the Company’s website **www.kesarinfra.com** within 2 (two) working days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

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ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

Item No.5: Appointment of Shri R H Kilachand as Whole-Time Director

Pursuant to the provisions of Sections 196, 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 & the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Articles of Association of the Company, keeping in view the vast expertise and knowledge of Shri R H Kilachand, the Board of Directors have appointed Shri R H Kilachand as the Whole Time Director designated as “Executive Director” of the Company for a period of 3 years commencing from 29.04.2016 to 28.04.2019.

The remuneration to Shri R H Kilachand as proposed in the item No.5 has been approved by the Nomination & Remuneration Committee, consisting of three Independent Directors and also by the Board of Directors of the Company at their meeting held on 29.04.2016. The Board be authorised to revise the remuneration of Shri R H Kilachand from time to time as per the provisions of the Companies Act, 2013.

The Company has not made any default in repayment of any of its debts (including public deposits) or interest payable thereon for a continuous period of 30 days in the preceding financial year.

The Company has received from Shri R H Kilachand - (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under section 164(2) of the Act.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri R H Kilachand for the office of Director of the Company.

A brief Profile of Shri R H Kilachand is as under:

DIN	07241625
Birth Date	10.1.1986
Nationality	Indian
Board Appointment	29.04.2016
Qualification	B.Sc. in Chemical Engineering from Carnegie Mellon University, Pittsburgh Pennsylvania, USA.
Experience	He has been with the Company since 6.8.2014. He has overall 8 years of experience out of which he has been with the Group Companies for more than 6 years. and has vast experience in Secretarial, Legal, Administration & Personnel related work.
Relationship	Key Managerial Personnel as Executive Director
Shareholding	1,32,357 Equity Shares
Relationship with other Director	Son of Shri H R Kilachand and Smt M H Kilachand
List of other Directorship	Kesar Multimodal Logistics Limited

This Statement may also be regarded as a disclosure under the SEBI (LODR) Regulations 2015.

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The following additional information as required by Section II of Part II of Schedule V to the Companies Act, 2013 are given below:

I	General Information	
1	Nature of industry	Storage and Handling
2	Date or expected date of commencement of commercial production	July 2010
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	--
4	Financial performance based on given indicators as per audited financial results for the year ended 31st March, 2016 Turnover & Other Income Net Profit as per Profit & Loss Account Profit as computed under Section 197 of the Companies Act, 2013 Net worth	 Rs.44,46,07,760/- Rs.15,53,98,336/- Rs. 221,548,350/- Rs.711,375,700/-
5	Foreign investments or collaborations, if any.	Nil
II	Information about the appointee:	
1	Background details	Shri Rohan is a Bachelor of Science in Chemical Engineering [May 2008] from Carnegie Mellon University, Pittsburgh Pennsylvania, U.S.A. He has been working with the Company since 6.8.2014 as Vice President. He has worked with the group Company Kesar Enterprises Limited from 1.10.2010 to 5.8.2014. He had also worked with Cairn India Limited as Graduate Engineering Trainee for 2 years from September 2008 to August 2010.
2	Past Remuneration	Rs.18.00 Lac p.a.
3	Recognition or awards	--
4	Job profile and his suitability	Shri Rohan H Kilachand, is best suited to accept the responsibility as a Whole-Time Director considering his experience in KTIL and other group Companies.
5	Remuneration proposed	The Remuneration proposed is Rs.30.00 lac per annum. The structure of the salary has been made in terms of Schedule V read with Section 197 of the Companies Act, 2013 as mentioned in the resolution.
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration is commensurate with size and nature of business of the Company and the responsibilities of the appointee. The remuneration do differ from Company to Company in the industry depending on the respective operations.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Besides the remuneration proposed to be paid to him, Shri R H Kilachand is a son of Shri H R Kilachand and Mrs. M. H. Kilachand Directors of the Company
III	Other information:	
1	Reasons of loss or inadequate profits	N.A.
2	Steps taken or proposed to be taken for improvement	N.A.
3	Expected increase in productivity and profits in measurable terms.	-
IV	Disclosures:	The information and disclosures of the remuneration package of the managerial personnel has been mentioned in the Notice of AGM.

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The Board recommends the said appointment of Shri R H Kilachand as Executive Director as specifically mentioned in the Special Resolution at Item No.5. Hence, the limit applicable for payment of his remuneration as mentioned in Section II of Schedule V shall be treated as doubled.

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

None of the Directors/Key Managerial Personnel of the Company or their relatives, except Shri R H Kilachand and his parents Shri H R Kilachand and Smt. M H Kilachand, is in any way concerned or interested in the proposed Special Resolution.

Item No.6 & 7: Issue of Bonus Shares & sub-division of Equity Shares

The Members are aware that the operations and performance of the Company has grown significantly over the past few years, it has generated considerable interest in the trading of the Company's Equity Shares in the Market. This coupled with the general positive economic environment, the market price of the Company's shares has also increased significantly.

In order to improve the liquidity of the Company's shares in the Stock Market –

1. On 24.6.2016, the Board of Directors have recommended the issue of Bonus Shares in the proportion of 1 (One) new Equity Share of Rs.10/- (Rupees Ten only) fully paid-up for every 25 (Twenty Five) existing Equity Shares of Rs.10/- (Rupees Ten only) each of the Company held by the members on a date (Record Date) to be hereafter fixed by the Board / Committee of the Board by capitalization of a sum of Rs. 21,01,250/- (Rupees Twenty One Lac One Thousand Two Hundred Fifty only) from the Free Reserves to utilise in full by issuing at par 2,10,125 new fully paid-up Equity Shares of Rs. 10/- (Rupees Ten only) each as Bonus Shares subject to approval of the shareholders and such other authorities as may be necessary; and
2. On 1.7.2016, the Board of Directors have recommended a Sub-Division of its Equity Shares of Rs.10/- each into two (2) Equity Shares of Rs.5/- each, subject to approval of the shareholders and such other authorities as may be necessary.

Further, it is necessary to authorize the Board of Directors / Committee of the Board to complete all the regulatory formalities prescribed by SEBI, Stock Exchanges on which the shares of the Company are listed and / or any other regulatory or statutory authority in connection with the issue of Bonus Shares and Sub-Division of the face value of the Equity Shares.

The Bonus Shares so allotted shall rank pari passu in all respects with the fully paid-up Equity Shares of the Company as existing on the Record Date to be fixed for the purpose of issue of such Bonus Shares, save and except that, they shall not participate in any dividend that may be declared before the 'Record Date'. Since the subsequent resolution is for Sub-Division of Equity Shares, the implementation of Bonus Shares shall be accordingly done by giving appropriate effect to that extent.

The Board recommends the resolutions as set out in item No. 6 & 7 as Ordinary Resolution of the accompanying notice for approval of the Members of the Company.

None of the Directors / Key Managerial Personnel or their relative are interested in the above Resolutions except to the extent of their respective shareholdings in the Company.

Item No.8: Alteration of Capital Clause

The Sub-Division of the face value of the Equity Shares of the Company of Rs.10/- per share to Rs. 5/- per share fully paid up requires an amendment in the Capital Clause of the Memorandum of Association of the Company. Accordingly, Clause V of the Memorandum of Association is to be amended as set out in Item No.8, in the accompanying notice for reflecting the corresponding changes in the Authorized Share Capital of the Company.

The Board recommends the resolutions as set out in Item No.8 of the accompanying notice for the approval of the members of the Company as a Special Resolution.

None of the Directors / Key Managerial Personnel or their relative are interested in the above Resolutions except to the extent of their respective shareholdings in the Company.

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A copy of the Memorandum and Articles of Association of the Company along with the proposed amendments shall be open for inspection at the Registered Office of the Company during 11.00 AM to 1.00 PM on all working days (excluding Saturday & Sunday) upto the date of this Annual General Meeting.

Item No.9: Related Party Transactions

Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 states that no Company shall enter into transactions with a Related Party as defined under Section 2(76) of the Act and SEBI (LODR) Regulations, except with the consent of the Board and Members of the Company, where such transactions are either not (a) in Ordinary Course of Business or (b) on arm's length basis.

However, as per the Regulation 23 of SEBI (LODR) Regulations all related party transactions shall require prior approval of the Audit Committee and all material transactions with related party shall require approval of the Members of the Company through Resolution and the related parties shall abstain from voting on such resolutions. "Material Transaction" with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

The Company is the Holding Company of Kesar Multimodal Logistics Limited [KMLL] which is developing a Composite Logistics Hub Project at Powerkheda, Madhya Pradesh on DBFOT basis awarded by The Madhya Pradesh State Agricultural Marketing Board (Mandi Board) through Public Private Participation (PPP). The Composite Logistics Hub is developed in two Phases. The Company being the Lead Member, it currently holds more than 50% of the paid up Equity Share Capital of the Company. Accordingly, KMLL is the subsidiary of the Company. The Composite Logistics Hub Project, being capital intensive in nature funds are required in the form of Equity / Advances / Loans for the timely completion of the Project. Accordingly, the Company provides funds to KMLL in the form of Equity / Advances / Loans etc.

KMLL, being Subsidiary Company, it is covered under the definition of the Related Party as defined under Section 2(76) of the Companies Act, 2013 and the transactions, as mentioned aforesaid, of section 188(1) under the category rendering of any services. The section further specifies that where aggregate amount involved in availing or rendering of any services exceeds 10% of the turnover of the Company, approval of the Members shall be sought by passing a Special Resolution.

KTIL, being the Lead member has contributed an aggregate of Rs.66.96 crore till 31.03.2016 towards Equity & Redeemable Preference Share Capital and Loans of the Company [Rs. 41.78 crore as Equity Share Capital, Rs. 15.54 crore as Redeemable Preference Share and Rs. 9.64 crore as Loans]. The Phase I of the Project is completed and will require timely infusion of funds primarily for repayment of Term Loan and payment of interest thereon of KMLL till KMLL's own revenue generation is sufficient to service that and towards stabilization of business. Hence, the Company proposes to infuse / provide a sum not exceeding Rs.79 crore in tranches subject to the requirement of the Company for the year from 1.4.2016 to 31.3.2017.

Since, the above transaction / transactions during the financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, the transaction shall be considered as material related party transaction. SEBI (LODR) Regulations, 2015 require that all material Related Party Transactions shall require approval of the shareholders through Special Resolution.

The Board of Directors / Audit Committee of your Company has already approved the past and the proposed transactions which the Company may enter into with KMLL, subject to the approval of Members.

The details of the transactions between the Company and KMLL are given hereunder:

- (a) Name of the related party: Kesar Multimodal Logistics Limited (KMLL).
- (b) Name of the Director or Key Managerial Personnel who is related, if any:
Shri A S Ruia, Shri J N Godbole, Smt. M H Kilachand, Shri R H Kilachand who are the Directors of KMLL as well.
- (c) Nature of relationship: KMLL is the Subsidiary of the Company.
- (d) Nature, material terms, monetary value and particulars of the contract or arrangement:

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The Company provides funds in the form of Equity / Advances / Loans for the timely completion of the Project of KMLL in various tranches as and when required. The loans provided to KMLL are repayable on demand but not before 12 months. Pursuant to Section 186(11) of the Companies Act, 2013, the Company is exempted for giving Loan/ Guarantee/ or Security Provided to KMLL as the Company is engaged in the business of providing infrastructure facilities.

Since the transactions required approval of the Members, the Resolution No.9 is proposed for ratification of transactions which were already executed and also for prior approval for the proposed transactions which are expected to be executed between the Company and KMLL up to 31st March, 2017.

The Board of Directors recommend passing of the Resolution No.9 as contained in this Notice as Special Resolution.

Except Shri A S Ruia, Shri J N Godbole, Smt. M H Kilachand, Shri R H Kilachand who are also the Directors of KMLL, none of the Directors and Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in this Special Resolution.

Registered Office:

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

By Order of the Board of Directors

Dilip Maharana
Company Secretary

1st July, 2016

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DIRECTORS' REPORT

To,
The Shareholders
Kesar Terminals & Infrastructure Ltd.

Dear Members,

Your Directors present to you the 8th Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2016.

STANDALONE FINANCIAL RESULTS

	(Rs. in Lac)	
	2015-16	2014-15
Profit before interest, depreciation & taxation	2685.55	2568.73
Less: Interest and Finance Charges	275.58	236.47
Profit before Depreciation & taxation	2409.97	2332.26
Less: Depreciation	194.44	227.07
Profit before tax	2215.53	2105.19
Less: Provision for Taxation		
(i) Income Tax - Current	663.19	645.25
(ii) Income Tax – Deferred	(1.64)	9.35
Profit after tax and Profit available for appropriation	1553.98	1450.59
Appropriation:		
Less:		
(i) Transfer to General Reserve	500.00	500.00
(ii) Proposed Dividend on Equity Share	52.53	183.86
(iii) Corporate Tax on Dividends	10.69	37.43
(iv) Depreciation as per New Companies Act, 2013, – Net of Deferred Tax	-	14.43
Profit after appropriation	990.76	714.87
Add: Balance brought forward from previous year	2601.69	1886.82
Balance carried forward to Balance Sheet	3592.45	2601.69

For the year 2015-16, there is a profit after tax of Rs.1553.98 lac as against Rs.1450.59 lac in the previous year.

DIVIDEND

The Directors are pleased to recommend a dividend of Re.1.00 per Equity Share (10%) of Rs.10/- each on 52,53,113 Equity Shares of the Company for the year 2015-16 (previous year Rs.3.50 per Equity Share - 35%). The dividend payout will be Rs.52.53 lac, excluding dividend distribution tax of Rs.10.69 lac.

WORKING FOR THE CURRENT YEAR

During the year under review, your Company achieved a turnover of Rs.4396.82 lac, as against Rs.4223.61 lac in the previous year, recording a growth of 4.10%. The Company recorded an increase of 9.12% in its profit after tax, which grew from Rs.1450.59 lac to Rs.1553.98 lac. The Company's healthy performance was attributed to better realisation in terminal tankage charges and improvement in the average commercial utilization charges of tanks.

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SUBSEQUENT FINANCIAL YEAR 2016-17

For the financial year 2016-17, the demand for tankage is expected to remain firm. The two new bulk liquid storage terminals that came up in Pipavav port have not significantly impacted demand for tankage at Kandla. However, the terminal users have been resisting annual increase in rental charges, which was being accepted in the past.

EXPANSION / MODERNISATION

The Company has been exploring new avenues to optimize and expand its present capacity at its Terminals at Kandla. However as the issue of transfer of lease of land in favour of the Company post demerger is yet to take place, no favourable response is coming from KPT for construction of new capacities. During the year, the Company proposes to convert further of its existing Mild Steel tanks into Stainless Steel tanks based on the market demand.

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. Necessary statutory permissions are being obtained from various State Government bodies including a No objection Certificate (NOC) from the District Magistrate for putting up the proposed facilities.

The Company has plans to set up a Container Freight Station [CFS], Bonded Warehouse and Bulk Liquid terminal at Pipavav. The preliminary work at Pipavav is expected to commence after Phase I of the Composite Logistics Hub Project of the Subsidiary Company, Kesar Multimodal Logistics Ltd. (KMLL) stabilises its operation.

SUBSIDIARY Company

The % shareholding, of the Company along with its Nominees in the Equity Share Capital of Kesar Multimodal Logistics Ltd. (KMLL) is above 50%. Hence there is a Holding - Subsidiary relationship between the Company & KMLL. 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. Particulars under **AOC-1** forms part of the notes to the financial statements annexed herewith.

CONSOLIDATION FINANCIAL STATEMENTS:

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

COMPOSITE LOGISTICS HUB PROJECT AT MADHYA PRADESH

The Multimodal Composite Logistics Hub project is set up by Kesar Multimodal Logistics Ltd. (KMLL), the Subsidiary of the Company, at Powarkheda under a Concession Agreement signed by KMLL with Madhya Pradesh State Agricultural Marketing Board (Mandi Board) on a Design, Build, Finance, Operate and Transfer (DBFOT) basis through Public Private Participation (PPP). The Hub covers an area of 88.3 acres, which includes development of an entire range of infrastructure including rail sidings for cargo and container movement, rail-side warehouses, Inland Container Depot (ICD), Cold Storage, food grains warehouse & development of common facilities for putting up agri-processing units. This Project will be developed in 2 phases out of which the 1st phase has become operational.

The West Central Railway, Jabalpur, Madhya Pradesh has notified the Private Freight Terminal [PFT] of KMLL served by Powarkheda (PRKD) station of Bhopal Division as a Greenfield PFT.

KMLL has been appointed as the Custodian of the import / export of goods received at ICD of KMLL by the Office of the Principal Commissioner of Customs, Central Excise & Service Tax, Bhopal (Madhya Pradesh), the exporters & importers from the catchment area of the Hub will be now able to complete all Customs formalities at this location that were earlier required to be done at the Port. The Rail Terminal Operations and movement of goods train has started from the Hub of KMLL.

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The facilities at the Hub also permit transportation of food grains, soya extract, vegetables and fruits from this location to any location in India by rail within 24 hours. This location, which is situated at nearly the centre of Indian Railway map, offers an opportunity to the manufacturers of bulk commodities, such as cement, steel, fertilizer etc. to quickly move their cargo from their manufacturing points to the Terminal for storage and onward distribution. The manufacturers of FMCG or white goods can also use the location as a central storage and distribution point for pan India distribution of their products. This will be a desired location for such pan India distribution once GST becomes a reality.

The facilities at the Hub also permits rail transportation of ICD containers from surrounding areas to the major ports like JNPT, Mundra & vice-versa for both, exports & imports thereby saving costly road freight, besides reducing pollution of truck movement.

SHARE CAPITAL

The paid up Equity Share Capital as on 31.3.2016 was Rs.5.25 crore. During the year under review, the Company has not issued any shares. The Board has recommended issue of Bonus Shares, subject to approval of Shareholders, by capitalization of Rs.21,01,250/- (Rupees Twenty One Lac One Thousand Two Hundred Fifty Only) out of the Free Reserves of the Company, as an increase in the Equity Share Capital of the Company held by each such Member, and not as income or in lieu of dividend, credited as 2,10,125 new fully paid up Equity Shares of Rs.10/- as Bonus Shares in proportion of One (1) new Equity Share of Rs.10/- for every Twenty Five (25) existing fully paid Equity Shares of Rs.10/- each held by the Members.

Since, the operations of the Company has grown significantly during the last few years, it has generated considerable interest in the trading of the Company's Equity Shares in the market. This coupled with the general positive economic environment, the market price of the Company's shares have also increased significantly. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Directors have recommended sub-dividing the Face Value of the Equity Shares of the Company. Accordingly, the Bonus Shares as and when allotted will be adjusted as to its face value.

BOARD MEETINGS

During the year 5 (five) Board Meetings and 4 (four) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 of the Companies Act, 2013, Mrs. M H Kilachand, Non Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment. As per the SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015, brief profile of Mrs. M H Kilachand retiring by rotation forms part of the Corporate Governance Report.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (LODR) Regulations 2015.

Pursuant to the provisions of Regulation 25 of the SEBI (LODR) Regulations 2015, the Company has formulated a programme for familiarising the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc through various initiatives. The details of the aforementioned programme is available at the Company's website [www.kesarinfra.com/Investor's Corner/Policies](http://www.kesarinfra.com/Investor's%20Corner/Policies).

MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR & DATE OF THIS REPORT:

Shri H R Kilachand, ceased to be the Executive Chairman & Director of the Company with effect from 29.4.2016 on his resignation due to his engagement in other business activities. Consequent to the resignation of Shri H R Kilachand, the Board of Directors had appointed Shri A S Ruia, Independent Director, as Chairman of the Company with effect from 29.4.2016.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

Based on the recommendation of the Nomination & Remuneration Committee and subject to approval of the Shareholders, on 29.4.2016, the Board had appointed Shri R H Kilachand, as Whole-Time Director designated as Executive Director of the Company. Prior to his appointment, Shri R H Kilachand was working with the Company as Vice President.

Consequent to the resignation of Shri Bhautesh Shah, Shri Dilip Maharana was appointed as Company Secretary with effect from 26.5.2016 pursuant to Section 203 of the Companies Act, 2013.

BOARD EVALUATION / APPOINTMENT AND REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

Pursuant to the provisions of the Companies Act, 2013, the Board carried out an annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit & Nomination & Remuneration Committees.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report. The details of the Nomination & Remuneration Policy are available on the website of the Company [www.kesarinfra.com/Investor's Corner/Policies](http://www.kesarinfra.com/Investor's%20Corner/Policies).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013 the Board of Directors to the best of their knowledge hereby state:

- i) that in preparation of the annual accounts for the financial year ended on 31st March, 2016, 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 period;
- 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, 2016 on a going concern basis.
- v) that the Directors have laid down proper internal financial controls in place and that such internal financial controls are adequate and were operating effectively.
- vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

The details of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013 in form AOC-2 is annexed herewith as **Annexure "A"**.

A policy of Related Party Transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Company [www.kesarinfra.com/Investor's Corner / Policies](http://www.kesarinfra.com/Investor's%20Corner/Policies).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial statements.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form **MGT 9** is annexed herewith as **Annexure "B"**.

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SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

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 Regulation 34 of the SEBI (LODR) Regulations, 2015. 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. During the year under review, the Company adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the Code of Conduct for Prohibition of Insider Trading in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

SEXUAL HARASSMENT POLICY

The Company has constituted an Internal Complaint Committee (ICC) for prevention and redressal of complaints / grievances on the sexual harassment of women at work places. During the year under review no incident had taken place.

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

The particulars under Section 134(3)(m) of the Companies Act, 2013 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 Rs.20,80,406/- (Previous Year Rs.3,45,398/-).

FIXED DEPOSITS

As per the Companies Act, 2013, the Company is not eligible to raise Fixed Deposits in terms of Section 73 of the Act. Hence, the Company has not accepted / renewed Fixed Deposits w.e.f. 1.4.2014.

Further, as per Section 74(1) of the Companies Act, 2013, the Company was required to repay the existing Fixed Deposits on or before 31.3.2015. However, as per Section 74(2) of the Act, the Company had filed a petition with the Company Law Board, Mumbai Bench for extension of time to repay Fixed Deposits. The approval for the same is awaited.

As on 31.3.2016, the outstanding Fixed Deposit principal amount is Rs.69,90,000/-. Rs.2,52,000 remained unclaimed in respect of 7 Fixed Deposit holders.

AUDITORS

M/s Haribhakti & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till conclusion of the Annual General Meeting to be held in the calendar year 2019. In terms of the provisions of the Section 139(1) of the Company's Act 2013, the appointment of M/s Haribhakti & Co. LLP, Chartered Accountants is placed for ratification by the Shareholders.

AUDITORS' REPORT

There are no qualifications, reservations or remarks in the Auditors Report.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

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.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Ragini Chokshi & Co., Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as **Annexure- "C"**. There are no qualifications, reservations or remarks in the Secretarial Audit Report.

CORPORATE SOCIAL RESPONSIBILITY

As the Company meets with one of the criteria of Section 135(1) of the Companies Act, 2013, it has constituted a CSR Committee. The composition and functions of the CSR Committee has been detailed in the Corporate Governance Report. The Company has undertaken CSR activities in accordance with Schedule VII of the Companies Act, 2013. The Annual Report on CSR activities is annexed herewith as **Annexure- "D"**.

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.

The information required pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees on the payroll of the Company in India, is provided as **Annexure- "E"** which forms part of this report.

The information required pursuant to Section 197 read with Rule 5(2)&(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. 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
1st July, 2016

A S RUIA
CHAIRMAN
DIN: 00296622

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“Annexure A”

Form No. AOC-2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with Related Parties referred to in Section 188 (1) of the Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable.

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board:
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

2. Details of material contracts or arrangement or transactions at arm's length basis:

- (a) Name(s) of the related party and nature of relationship: **Kesar Multimodal Logistics Ltd. (KMLL), the subsidiary of the Company.**
- (b) Nature of contracts/arrangements/transactions: **Rendering of any services under Section 188(1) of the Companies Act, 2013.**
- (c) Duration of the contracts / arrangements/transactions: **1.4.2016 to 31.3.2017**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

The Company provides funds in the form of Equity / Advances / Loans for timely infusion of funds primarily for repayment of Term Loan and payment of interest thereon of KMLL till KMLL's own revenue generation is sufficient to service that and also towards stabilization of business. Loans Provided to KMLL are repayable on demand but not before 12 months. As per Section 186(11) of the Companies Act, 2013, the Company is exempted for the Loan/ Guarantee/ or security provided to KMLL as the Company is engaged in the business of providing infrastructure facilities.

- (e) Date(s) of approval by the Board, if any: **26.10.2015 & 28.01.2016.**
- (f) Amount paid as advances, if any: **Rs. 15.54 crore (Rs. 8.50 crore for the year 2014-15 and Rs. 7.04 crore for the year 2015-16).**

**For and on behalf of the Board of Directors
of Kesar Terminals & Infrastructure Limited**

**A S Ruia
Chairman
DIN: 00296622**

KESAR TERMINALS & INFRASTRUCTURE LIMITED

“Annexure B”

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2016
Of

Kesar Terminals & Infrastructure Limited
[Pursuant to Section 92(3) of the Companies Act, 2013
And
Rule 12(1) of the Companies (Management. and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L45203MH2008PLC178061
ii)	Registration Date [DDMMYY]	21.1.2008
iii)	Name of the Company	Kesar Terminals & Infrastructure Limited
iv)	Category of the Company	Public Company
	Sub Category of the Company	Limited by Shares
v)	Address of the Registered Office and contact details	Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai 400020. Tel: 022-22851737
vi)	Whether listed Company	Yes
vii)	Name and Address and Contact details of Registrar & Transfer Agent, if any	M/s Sharex Dynamic (India) Pvt. Ltd. Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai 400072 Tel: 022-28515606 /28515644

II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company (All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

SL No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Storage & Handling Services of Liquid Chemicals	Not Available	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. No.	NAME AND ADDRESS OF THE Company	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Kesar Multimodal Logistics Limited	U74120MH2011PLC222597	Subsidiary Company	99.94%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a). individual	816019	59190	875209	16.661	816019	59190	875209	16.661	-
(b). Central Govt.	-	-	-	-	-	-	-	-	-
(c). State Govt(s).	-	-	-	-	-	-	-	-	-

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(d). Bodies Corp.	2272715	0	2272715	43.264	2272715	0	2272715	43.264	-
(e). FIINS / BANKS.	-	-	-	-	-	-	-	-	-
(f). Any Other	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)	3088734	59190	3147924	59.925	3088734	59190	3147924	59.925	-
B. Public Shareholding									
1. Institutions									
(a). Mutual Funds	0	70	70	0.001	0	70	70	0.001	-
(b). Banks / FI	776	486	1262	0.024	639	486	1125	0.021	-0.003
(c). Central Govt.	-	-	-	-	-	-	-	-	-
(d). State Govt.	770	-	770	0.015	-	-	-	-	-0.015
(e). Venture Capital Funds	1500	-	1500	0.029	-	-	-	-	-0.029
(f). Insurance Companies	255941	-	255941	4.872	255941	-	255941	4.872	-
(g). FIs	-	-	-	-	-	-	-	-	-
(h). Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i). Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	258987	556	259543	4.941	256580	556	257136	4.894	-0.047
2. Non-Institutions									
a) Bodies Corp.									
(i). Indian	305009	973	305982	5.825	323255	973	324228	6.172	0.347
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1056805	175045	1231850	23.45	1087635	170719	1258354	23.954	0.504
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	234079	0	234079	4.456	204087	0	204087	3.885	-0.571
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	60053	140	60193	1.146	56617	140	56757	1.08	-0.066
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	13542	-	13542	0.258	4627	0	4627	0.088	-0.17
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	--	-	-	-	--	-	-
Sub-total (B)(2):-	1669488	176158	1845646	35.135	1676221	171832	1848053	35.179	0.044
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1928475	176714	2105189	40.076	1932801	172388	2105189	40.073	-0.003
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5017209	235904	5253113	100.00	5021535	231578	5253113	100.00	-

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(ii) Shareholding of Promoter-

Sr No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the year 31/03/2016			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Kesar Corporation Pvt. Ltd.	14,49,250	27.588	-	14,49,250	27.588	-	-
2	Kesar Enterprises Ltd.	5,00,000	9.518	-	5,00,000	9.518	-	-
3	H. R. Kilachand	389443	7.414	-	227443	4.330	-	-3.084
4	M H Kilachand	1,45,860	2.777	-	307860	5.861	-	3.084
5	Indian Commercial Company Pvt. Ltd.	1,62,584	3.095	-	1,62,584	3.095	-	-
6	Shri Rohan Kilachand	1,32,357	2.520	-	1,32,357	2.520	-	-
7	Rohita Harsh Kilachand	1,31,476	2.503	-	1,31,476	2.503	-	-
8	Duracell Investments & Finance Pvt. Ltd.	1,00,240	1.908	-	0	0.000	-	-1.908
9	Seel Investment Pvt Ltd.	53,535	1.019	-	153775	2.927	-	1.908
10	Rajnikant A Kilachand	50775	0.967	-	50775	0.967	-	-
11	Harsh R Kilachand (HUF)	19,197	0.365	-	19,197	0.365	-	-
12	India Carat Pvt. Ltd.	7,106	0.135	-	7,106	0.135	-	-
13	Shreemati Ambalal Kilachand	6,073	0.116	-	6,073	0.116	-	-
14	Amrish R Kilachand	21	0.000	-	21	0.000	-	-
15	Ramila R Kilachand	7	0.000	-	7	0.000	-	-
	Total	31,47,924	59.925		31,47,924	59.925	-	0

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr No.	Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	31,47,924	59.925	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	**	**	**	**
	At the end of the year	31,47,924	59.925	31,47,924	59.925

** During the year there was an Inter-se Transfer of 1,62,000 Equity Shares was transferred from H R Kilachand to M H Kilachand & 1,00,240 Equity Shares was transferred from Duracell Investments & Finance Pvt. Ltd. to Seel Investment Pvt Ltd., details given below. Hence, there was no change in the total shareholding of the Promoter / Promoter Group.

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Sr No.	Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	H. R. Kilachand				
	At the beginning of the year	389443	7.414	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Interse Transfer - 11-12-2015 Interse Transfer - 31-12-2015	-162000 256	-3.084 0.004	225129 225385	4.286 4.330
	At the end of the year	227443	4.330	227443	4.330
2	M.H. Kilachand				
	At the beginning of the year	1,45,860	2.777	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Interse Transfer - 11-12-2015	162000	3.084	307860	5.861
	At the end of the year	307860	5.861	307860	5.861
3	Duracell Investments & Finance Pvt. Ltd.				
	At the beginning of the year	1,00,240	1.908	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Interse Transfer - 10-07-2015	-1,00,240	-1.908	-	-
	At the end of the year	-	-	-	-
4	Seel Investment Pvt Ltd.				
	At the beginning of the year	53,535	1.019	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Interse Transfer - 10-07-2015	1,00,240	1.908	153775	2.927
	At the end of the year	153775	2.927	153775	2.927

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iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	The Oriental Insurance Company Ltd.				
	At the beginning of the year	2,47,220	4.706		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	223389	4.253	223389	4.253
2.	Mentor Capital Ltd.				
	At the beginning of the year	1,75,370	3.338		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	1,75,370	3.338	1,75,370	3.338
3	Madan Daulatram Bahal				
	At the beginning of the year	37300	0.71		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Transfer 10-07-2015	-6750	-0.13	30550	0.582
	Transfer 17-07-2015	-2000	-0.04	28550	0.543
	Transfer 16-10-2015	6149	0.12	34699	0.661
	Transfer 08-01-2016	8739	0.17	43438	0.827
	Transfer 31-03-2016	3003	0.06	46441	0.884
	At the end of the year	46441	0.884	46441	0.884
4.	Raju Bhandari				
	At the beginning of the year	41,474	0.790		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the end of the year	41,474	0.790	41,474	0.790
5.	Anita Sarin				
	At the beginning of the year	43850	0.835		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Transfer 22-05-2015	-250	-0.005	43600	0.83
	Transfer 09-10-2015	-2500	-0.048	41100	0.782
	Transfer 31-12-2015	-1200	-0.023	39900	0.76
	Transfer 08-01-2016	-500	-0.010	39400	0.75
	Transfer 18-03-2016	150	0.003	39550	0.753

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Sr No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the end of the year	39550	0.753	39550	0.753
6.	National Insurance Company Limited				
	At the beginning of the year	32552	0.620		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	32552	0.620	32552	0.620
7.	Mukeshbabu Financial Secrvices Limited				
	At the beginning of the year	28000	0.533		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	28000	0.533	28000	0.533
8.	Lalkar Securities Pvt Limited	1750	0.033		
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Transfer- 28-08-2015	15550	0.30	17300	0.329
	Transfer-09-10-2015	100	0.00	17400	0.331
	Transfer-16-10-2015	-100	0.00	17300	0.329
	Transfer-12-02-2016	1663	0.03	18963	0.361
	Transfer-19-02-2016	475	0.01	19438	0.370
	At the end of the year	19438	0.370	19438	0.370
9.	Anil Sarin				
	At the beginning of the year	18295	0.348		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Transfer-17-04-2015	-250	0.00	18045	0.344
	Transfer-08-05-2015	-1366	-0.03	16679	0.318
	Transfer -15-09-2015	1046	0.02	17725	0.337
	At the end of the year	17725	0.337	17725	0.337
10.	Parul M. Shah				
	At the beginning of the year	13195	0.251		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Transfer-05-02-2016	1000	0.02	14195	0.27
	At the end of the year	14195	0.27	14195	0.27

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v) Shareholding of Directors and Key Managerial Personnel:

Sr No.	Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	H. R. Kilachand				
	At the beginning of the year	389443	7.414	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Inter-se Transfer - 11-12-2015	-162000	-3.084	225129	4.286
	Inter-se Transfer - 31-12-2015	256	0.004	225385	4.330
	At the end of the year	227443	4.330	227443	4.330
2	M.H. Kilachand				
	At the beginning of the year	1,45,860	2.777	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Interse Transfer - 11-12-2015	162000	3.084	307860	5.861
	At the end of the year	307860	5.861	307860	5.861
3	A S Ruia				
	At the beginning of the year	700	0.013	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
		-	-	-	-
	At the end of the year	700	0.013	700	0.013
4	J K Devgupta				
	At the beginning of the year	140	0.002	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
		-	-	-	-
	At the end of the year	140	0.002	140	0.002

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V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19,17,50,794	1,64,17,212	1,55,68,000	22,37,36,006
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	20,29,914	3,05,387	13,37,442	36,72,743
Total (i+ii+iii)	19,37,80,708	1,67,22,599	1,69,05,442	22,74,08,749
Change in Indebtedness during the financial year				
* Addition	4,99,00,000	-	-	4,99,00,000
* Reduction	7,64,15,516	56,46,773	85,78,000	9,06,40,289
Net Change	-2,65,15,516	-56,46,773	-85,78,000	-4,07,40,289
Indebtedness at the end of the financial year				
i) Principal Amount	16,52,35,278	1,07,70,439	69,90,000	18,29,95,717
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	18,74,071	2,96,900	9,12,629	30,83,600
Total (i+ii+iii)	16,71,09,349	1,10,67,339	79,02,629	18,60,79,317

VI. REMUNERATION OF Directors AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

SN	Particulars of Remuneration	Name of MD/WTD/ Manager H R Kilachand (Executive Chairman)
		Total Amount (in Rs.) p.a
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,28,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	18,28,080
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	-
5	Others, please specify - Incentive	35,00,000
	Total (A)	70,56,080
	Ceiling as per the Act	Within the ceiling limit

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B. Remuneration to other Directors

SL No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri A S Ruia	Shri J N Godbole	Shri R S Loona	
1	Independent Directors				
	Fee for attending board committee meetings	1,80,000	2,20,000	2,40,000	6,40,000
	Commission	2,00,000	2,00,000	2,00,000	6,00,000
	Others, please specify	-	-	-	-
	Total (1)	3,80,000	4,20,000	4,40,000	12,40,000
2	Non-Executive Directors	Smt. M H Kilachand	Shri J K Devgupta		
	Fee for attending board committee meetings	1,20,000	80,000		2,00,000
	Commission	2,00,000	2,00,000		4,00,000
	Others, please specify	-	-		-
	Total (2)	3,20,000	2,80,000		6,00,000
	Total (B)=(1+2)				
	Overall Ceiling as per the Act	Within the ceiling limit			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	65,98,771	67,96,284	11,46,677	1,45,41,732
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	65,98,771	67,96,284	11,46,677	1,45,41,732

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty		N.A			
Punishment		N.A			
Compounding		N.A			
B. Directors					
Penalty		N.A			
Punishment		N.A			
Compounding		N.A			
C. OTHER OFFICERS IN DEFAULT					
Penalty		N.A			
Punishment		N.A			
Compounding		N.A			

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE PERIOD 01-04-2015 TO 31-03-2016

To,
The Members
Kesar Terminals & Infrastructure Limited
Oriental House, 7, Jamshedji Tata Road,
Churchgate,
Mumbai- 400020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KESAR TERMINALS & INFRASTRUCTURE LIMITED (CIN : L45203MH-2008PLC178061)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **KESAR TERMINALS & INFRASTRUCTURE LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period **1st April, 2015 to 31st March, 2016** ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period **1st April, 2015 to 31st March, 2016** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not applicable as the Company did not issue any security during the financial year under review.**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable as the Company did not have any scheme for its employees during the financial year under review.**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued any debt securities during the financial year under review.**
 - f. The securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,

KESAR TERMINALS & INFRASTRUCTURE LIMITED

1993 regarding the companies act and dealing with client- **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.**

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as the Company has not delisted its Equity Shares from any stock exchange during the financial year under review.**
- h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **Not applicable as the Company has not bought back any of its securities during the financial year under review.**
- (vi) We have relied on the certificates obtained by the Company from the Management Committee/Function heads and based on the report received, there has been due compliance of all laws, orders, regulations and other legal requirements of the central, state and other Government and Legal Authorities concerning the business and affairs of the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:-

1. The Petroleum Rules, 1976
2. The Manufacture, Storage & Import of Hazardous Chemicals Rules, 1989
3. The Major Port Trusts Act, 1963
4. The Workmen's Compensation Act, 1923
5. The Merchant Shipping Act, 1983
6. The Factories Act, 1948
7. The Industrial Disputes Act, 1947
8. The Environment (Protection) Act, 1986

And other Law, rules, regulations, bye-laws relating to Terminals and ports.

We have also examined compliance with applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guideline

Place : Mumbai

Date : 01.07.2016

For Ragini Chokshi & Co

Mrs. Ragini Chokshi

(Partner)

C.P. No. 1436

FCS No. 2390

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A Brief Outline of the Company's CSR Policy, including overview of Projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs – CSR Policy is available at the weblink:[www.kesarinfra.com/Investor's Corner/Policies/](http://www.kesarinfra.com/Investor's%20Corner/Policies/). Overview of the Projects proposed / undertaken is provided below.
2. The Composition of the CSR Committee:
Shri J N Godbole, Chairman of the Committee (Independent Director)
Shri R S Loona, Member (Independent Director)
Smt. M H Kilachand, Member (Non Executive Director)
Shri J K Devgupta, Member (Non Executive Director)
Shri R H Kilachand, Member (Executive Director)
3. Average net profit of the Company for the last three years: Rs.16.95 crore
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above): Rs.0.34 crore approx
5. Details of CSR spent during the financial year;
 - (a) Total amount to be spent for the financial year : Rs.0.34 crore approx
 - (b) Amount unspent, if any: 0.47 crore
 - (c) Manner in which the amount spent during the financial year is detailed below: N.A.
6. The Company for the financial year 2015-16 had not spent any amount for the CSR Activities. The balance amount of Rs.0.47 crore approx is lying unspent. The Committee at its meeting held on 30.5.2016 reviewed various proposals placed before them and awaited for additional information on certain proposals. In order to ensure that CSR projects undertaken by the Company are selected, implemented and monitored in a strategic and systematic manner, such that the impacts created can be sustainable. Accordingly, the balance amount of Rs.0.47 crore would be spent during the next financial year 2016-17 for its proper implementation.
7. The CSR Committee further states that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of the CSR Committee

J N Godbole
Chairman of the CSR Committee
DIN: 00056830

**Mumbai,
1st July, 2016**

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Annexure "E"

Particulars of Employees remuneration and other details in terms of Section 134(3)(q) read with Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirement	Disclosure	Ratio
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	Executive Directors: Shri H R Kilachand, Executive Chairman: Non Executive Directors: Shri A S Ruia: Smt. M H Kilachand: Shri J N Godbole: Shri R S Loona: Shri J K Devgupta	12.03:1 0.6:1 0.5:1 0.7:1 0.8:1 0.5:1
2.	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Executive Directors: Shri H R Kilachand, Executive Chairman: Non Executive Directors: Shri A S Ruia: Smt. M H Kilachand: Shri J N Godbole: Shri R S Loona: Shri J K Devgupta Key Managerial Personnel: CEO: CFO: CS: (upto 5.1.2016)	% Increase (1.86) (42.11) 0.00 (38.10) 4.55 14.29 21.37 3.08 23.21
3.	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 8.13%	
4.	The number of permanent employees on the rolls of the Company	There were 65 permanent employees on the rolls of the Company as on March 31, 2016	
5.	The explanation on the relationship between average increase in remuneration and Company performance	During the year under review, the average increase in remuneration of employees of the Company was in correlation with growth and profitability achieved by the Company. While considering increase in remuneration of employees, the Company considered the following broad parameters: - Individual performance vis-à-vis Company's performance - Industry standards and benchmark - Competencies, qualifications, industry experience and the scope of the work etc. The average increase in remuneration of the employees of the Company was 2.81%	
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	During the year 2015-16, the total remuneration paid to KMPs were approximately 13.90% of the Net Profit After Tax.	

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Sr. No.	Requirement	Disclosure	Ratio
7.	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The market capitalisation of the Company has decreased from `203.30 crores as of March 31, 2015 to `200.67 crores as of March 31, 2016. Over the same period, the PE ratio declined from 14.02 to 12.02. The Storage division of Kesar Enterprises Ltd. was demerged into the Company vide High Court Order dated 12.3.2010 and 7 Equity shares of the Company were issued for every 10 Equity Shares of KEL to the Shareholders of KEL on 1.6.2010. Hence, the Comparison could not be done.	
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in salaries of Employees, other than managerial personnel, during the year under review was 2.81%, whereas average percentile increase in salaries of Managerial Personnel during the year under review was 16.08%. This increase in salaries was in line with factors mentioned in Point No. 5 above	
9.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Comparison of remuneration of each of the KMP against the performance of the Company is as under: Executive Chairman – 4.54% Chief Executive officer – 4.25% Chief Financial Officer – 4.37% Company Secretary – 0.74%	
10.	The key parameters for any variable component of remuneration availed by the Directors	The variable component of remuneration availed by Directors are considered by the Board of Directors based on the recommendation of the Nomination & Remuneration Committee as per the Remuneration Policy.	
11.	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	Not Applicable	
12.	Affirmation that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration paid is as per the remuneration policy of the Company.	

Explanation.-

- the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;
- if there is an even number of observations, the median shall be the average of the two middle values.

For and on behalf of the Board of Directors
of **Kesar Terminals & Infrastructure Limited**

A S RUIA
CHAIRMAN
DIN: 00296622
Date: 1.7.2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SCENARIO IN INDIA

Bulk liquid Storage scenario

The Bulk Liquid storage and handling industry caters to the requirements of Importers and exporters of bulk liquid commodities, such as petroleum products, crude oil, chemicals, petrochemicals, vegetable oils, molasses etc. The industry acts as a logistic partner for both primary manufacturers and downstream units in various industries, such as petrochemicals, chemicals, synthetic fibre manufacturing, edible/non-edible vegetable oil refinery, power generation, food processing, pharmaceuticals etc.

A phenomenal rise in the import and export of liquid bulk cargo is set to drive capacity growth at Indian ports. As this commodity has proved a major revenue earner for major ports such as Kandla and Mumbai ports, the government is increasingly focusing on developing infrastructure for facilitating greater throughput of liquid bulk cargo at various ports.

The dependence on liquid bulk imports will be at the normal 70 % to 75 % levels, with crude and edible oils, continuing to be the major components of the country's import bill. Petroleum, oil & lubricant products constitute 93% of total exports and 27% of overall trade. Domestic refinery capacity additions and decline in demand of Naphtha for fertilizer production have led to increase in exports over the last 5 years. Bulk Chemicals (organic chemicals, inorganic chemicals & alkali chemicals) and Petrochemicals constitute 5% of liquid bulk trade.

INDUSTRY STRUCTURE & DEVELOPMENT

Increasing urbanization and rise in percapita disposable income is resulting in a strong growth outlook for several key end use industries. This is going to positively impact the growth in Indian liquid bulk industry. Going ahead, liquid bulk trade volumes are set to grow at a rapid pace. The Government's thrust towards domestic manufacturing is expected to redefine the product flow patterns. Increasing volumes will lead to shift from containerized movement to bulk movement, creating opportunities for liquid bulk handling at Indian ports.

Challenges faced in Bulk Liquid handling at Indian Ports are capacity constraints, lack of adequate infrastructure. Liquid bulk capacity utilization at Indian ports stands at 90% to 95%, much higher compared to international average of 70% to 75%, which is considered to be ideal. This results in higher turnaround times and longer waiting period for berthing leading to port congestion. The major ports across upper west coast (Kandla, Mumbai and JNPT) account for almost 50% of liquid bulk handled at major ports with capacity utilization more than 95%.

Further, Lack of port infrastructure facilities at major ports, non-availability of port land, and inadequacy of inland terminals in the country continue to remain areas of concern for players in the liquid terminalling business. Regulatory restrictions are also leading to increase in overall turnaround time and decrease in productivity at Indian ports.

OPPORTUNITIES & THREATS

As earlier mentioned the Central Government is taking a number of progressive steps which would promote the growth of Indian liquid bulk industry.

The Company has plans to create facilities at 2 other ports viz. Kakinada in Andhra Pradesh and Pipavav in Gujrat.

The subsidiary of the Company, Kesar Multimodal Logistics Ltd. [KMLL] formed for the execution of the "Composite Logistics Hub" project on PPP basis at Powarkheda, Madhya Pradesh has completed the Phase I of the Project, which covers an entire range of logistics infrastructure like rail sidings for cargo and container movement, Rail Side Warehouses, Inland Container Depot, Bulk commodity and Food grain warehouses, Cold storages, Agro Processing Zone etc. The project is one of its kind to be put up in the State of Madhya Pradesh. The facilities of the Phase I of the Project was inaugurated by the Hon. Finance Minister, Shri Arun Jaitley on Saturday,

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30th May, 2015 at Pawarkheda, Madhya Pradesh in the presence of Hon. Chief Minister of Madhya Pradesh Shri Shivraj Singh Chouhan, other Cabinet Ministers & dignitaries and the then Chairman of the Company Shri H R Kilachand. The facilities at the Composite Logistics Hub are to be developed in 2 phases.

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 Rs.4396.82 lac as against Rs.4226.47 lac last year, showing an increase of 4.10% in its top line. The profit after tax showed an increase of 9.12 % from Rs.1450.59 lac last year to Rs.1553.98 lac in the current 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 detail 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 firmly believes that talented and engaged employees are the critical differentiators and provide competitive advantage for sustaining and growing the business in the intensified spiral of global competition. As such, the Company continues its focus on high performance, talent retention, employee engagement and focused approach for smooth organizational work flow. The Company has a total strength of 66 people as at 31.3.2015.

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 stresses the importance of transparency, accountability and protection of shareholder interests. The Board oversees periodic review of business plans, monitors performance and ensures compliance of regulatory requirements.

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) (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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 Composition and Category of Directors is as follows:

Name of Directors	Category
Shri H R Kilachand (DIN:00294835)	Executive Chairman [Promoter Director] upto 29.4.2016
Shri A S Ruia (DIN: 00296622)	Independent Director - Chairman w.e.f. 29.4.2016
Smt. M H Kilachand (DIN: 00296504)	Non-Executive [Promoter] Director
Shri J N Godbole (DIN: 00056830)	Independent Director
Shri R S Loona (DIN: 02305074)	Independent Director
Shri J K Devgupta (DIN: 00515391)	Non-Executive Director
Shri R H Kilachand (DIN:07241625)	Executive Director w.e.f 29.04.2016

Attendance of each Director at the Board Meetings held during 1.4.2015 to 31.3.2016, the last Annual General Meeting held on 23.9.2015 and the Number of other Directorships & Chairmanship/ Membership of Committees of each Director in various Companies & Shareholding of Non-Executive Directors are as under:

Name of the Director	No. of Shares held by Non Executive Directors	Attendance Particulars					No. of other Directorships and Committee Member / Chairmanship		
		Out of 5 Board Meetings	Out of 4 Audit Committee Meetings	Nomination & Remuneration Committee Meeting	Sitting Fees paid (Rs.)	Last AGM	Other Directorships#	Committee Member \$	Chairman-ships
Shri H R Kilachand Executive Chairman [Promoter Director upto 29.4.2016]	227443	5	4	N.A	--	Yes	1	1	1
Smt. M H Kilachand Non-Executive Promoter Director	307860	4	N.A	1	1,20,000	Yes	1	-	-
Shri A S Ruia Independent Director	700	4	3	1	1,80,000	Yes	3	1	2
Shri J N Godbole Independent Director	Nil	5	4	1	2,20,000	Yes	8	7	3

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Name of the Director	No. of Shares held by Non Executive Directors	Attendance Particulars					No. of other Directorships and Committee Member / Chairmanship		
		Out of 5 Board Meetings	Out of 4 Audit Committee Meetings	Nomination & Remuneration Committee Meeting	Sitting Fees paid (Rs.)	Last AGM	Other Director ships#	Committee Member \$	Chairman-ships
Shri R S Loona Independent Director (DIN: 02305074)	Nil	5	4	1	2,40,000	Yes	3	3	2
Shri J K Devgupta Non-Executive Director (DIN: 00515391)	140	4	N.A	N.A	80,000	Yes	-	-	-

Excludes Private Limited Companies, Foreign Companies and Companies under Section 8 of Companies Act, 2013, trusts and alternate directorships as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

\$ Only Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

Information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Director seeking re-appointment at the AGM, is furnished herein below:

Name of the Director	Smt. M H Kilachand
Date of Birth	16.9.1961
Date of Appointment on the Board	21.1.2008
Qualification	B.A
Expertise in specific functional areas	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.
Relationships between directors inter-se	Shri H R Kilachand is husband and Shri R H Kilachand is son.
Number of Shares held in the Company	307860
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 Multimodal Logistics Ltd. Kilachand Devchand & Co. Pvt. Ltd. Kilachand Devchand Commercial Pvt. Ltd. Seel Investment Pvt. Ltd Kesar Multimodal Logistics Ltd.

Board Meetings held and the dates thereof:

During the year, 5 Board Meetings were held on 28.05.2015, 6.8.2015, 23.9.2015, 26.10.2015 & 28.1.2016. The gap between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days. None of the Directors hold the office of Director in more than the permissible number of Companies under the Act or Regulation 25 & 26 of the SEBI (LODR) Regulations, 2015.

Relationship between the Directors inter-se:

1. Smt. M H Kilachand is wife of Shri H R Kilachand.
2. Shri R H Kilachand is son of Shri H R Kilachand & Smt. M H Kilachand.

The details of Familiarization Programme imparted to Independent Directors is disclosed on the website of the Company viz. www.kesarinfra.com

Board Committees

The Board has constituted the required Committee(s) of Directors with delegation of powers. The Secretary of the Company acts as the Secretary to the Committees. Each Committee has its purposes, goals and responsibilities. These Committees comprise mainly of Independent Directors who as per the terms of reference oversee the Committee's function and executes its duties and responsibilities. The details of the Committees constituted by the Board are as under:

3. Audit Committee:

As per Section 177 of the Act & Regulation 18 of the SEBI (LODR) Regulations, the Company has constituted an Audit Committee.

(a) Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to statutory Auditors for any other services rendered by them;
4. Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by the Management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft Audit Report, if any;
5. Reviewing, with the Management, the Quarterly Financial Statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;

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9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal Auditors of any significant findings and follow up there on;
15. Reviewing the 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;
16. Discussion with statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer (CFO) (i.e. Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(b) Composition

As on date the Audit Committee comprises of four (4) Directors of whom three (3) are Independent Directors and one (1) is Executive Director. The Committee is chaired by an Independent Director.

Shri A S Ruia – Chairman

Shri J N Godbole

Shri R S Loona

Shri R H Kilachand, Executive Director (w.e.f 29.4.2016).

(c) Meetings & Attendance

During the year, 4 meetings of the Audit Committee were held on 28.05.2015, 6.8.2015, 26.10.2015 & 28.1.2016 with the time gap between 2 meetings of less than 120 days. The attendance of the Members is mentioned in table of para 2 above. As required, CFO, Internal Auditor & Statutory Auditors or their representatives used to remain present as Invitee in such Meetings. The Company Secretary acts as the Secretary of the Audit Committee.

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.

4. Nomination & Remuneration Committee:

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations the Nomination and Remuneration Committee should comprise of at least three (3) Directors; all of whom should be Non Executive Directors. At least half of the Committee members should be Independent with an Independent Director acting as the Chairman of the Committee.

As on date the Committee comprises of four (4) Directors of whom three (3) are Independent Directors and one is Executive Director. The Committee is chaired by an Independent Director. A meeting of the Committee was held on 28.05.2015.

Shri R S Loona – Chairman

Shri J N Godbole

Shri A S Ruia

Smt M H Kilachand – Non Executive Director

The Key Objectives of the Committee is:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

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.

Remuneration Policy for Directors

a) **Remuneration to Executive Chairman / Director / Whole-Time Director / Managing Director, KMP and Senior Management Personnel:**

The Remuneration/ Compensation / Commission / Incentive etc. to be paid to Executive Chairman / Director / Whole-time Director / Managing Director, KMP and Senior Management Personnel etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

b) **Remuneration to Non- Executive / Independent Director:**

The Non-Executive / Independent Director may receive compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as

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provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

Remuneration of Executive Director:

The details of remuneration paid / payable to the Executive Director for the financial year ended 31.3.2016 :

(in Rs.)

Name	Salary	Incentives	Perquisites	Contribution to PF	Superannuation	Total
H R Kilachand	17,28,000	35,00,000	13,61,520	2,07,360	2,59,200	70,56,080

The details of remuneration paid / payable to the Non-Executive Directors for the financial year ended 31.3.2016 :

(in Rs.)

Name	Sitting Fees	Commission	Total
Shri A S Ruia	1,80,000	2,00,000	3,80,000
Smt. M H Kilachand	1,20,000	2,00,000	3,20,000
Shri J N Godbole	2,20,000	2,00,000	4,20,000
Shri R S Loona	2,40,000	2,00,000	4,40,000
Shri J K Devgupta	80,000	2,00,000	2,80,000

5. Share Transfer Committee

In addition to the Stakeholders' Relationship Committee, the Board has constituted another committee referred as the Share Transfer Committee comprising of members from the senior management to approve the transfer of equity shares of the Company. The members of the Share Transfer Committee are Shri. H. R. Kilachand, Executive Chairman, Shri .Bhautesh Shah Company Secretary (up to 5.1.2016) & Shri Vipul J. Doshi, CFO. There were six meetings held during the year ended March 31, 2016. The number of pending share transfers as on March 31, 2016 is Nil.

6. Stakeholders Relationship Committee:

As required under of Regulation 20 of the SEBI (LODR) Regulations 2016 the Board has a duly constituted Stakeholders Relationship Committee [SRC]. The Chairman of the Committee is a Non Executive Director. The Stakeholders Relationship Committee comprised of :

Shri A S Ruia – Chairman

Shri R S Loona

Shri R H Kilachand

The function of the Stakeholders' Relationship Committee is to strengthen the investor relations. The Committee looks into redressal of shareholders' complaints and proper and timely attendance on the investors grievances. The key responsibilities of the Committee are to look in to :

- (i) Redressal of Shareholders' / Investors' complaints.
- (ii) Non-receipt of declared dividends, balance sheets of the Company; and
- (iii) Carrying out any other function as prescribed under in the SEBI Listing Regulations.

The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company. During the financial year ended 31.3.2016 the Committee met once on 28th May, 2015.

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During the year ended 31st March, 2016, the Company had received no complaints / grievances from its Shareholders, which had been duly resolved to the satisfaction of the shareholders and none of them were pending as on 31.3.2016.

7. Corporate Social Responsibility [CSR] Committee:

As the Company meets with one of the criteria of Section 135(1) of the Companies Act, 2013, it has constituted a CSR Committee.

The composition of the CSR Committee formed to achieve the CSR objectives is as below:

Sr. No.	Name of the Member	Composition
1.	Shri J N Godbole [Independent Director]	Chairman
2.	Shri R S Loona [Independent Director]	Member
3.	Smt. M H Kilachand [Non Executive Director]	Member
4.	Shri J K Devgupta [Non Executive Director] w.e.f.30.5.2016	Member
5.	Shri R H Kilachand[Executive Director] w.e.f. 30.5.2016	Member

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. During the year under review, 1 meeting of CSR Committee was held on 28.5.2015, in which all the Committee Members were present.

8. Risk Management Committee [RMC]:

As required under Regulation 21 of SEBI (LODR) Regulations 2016 the Board has a duly constituted Stakeholders Relationship Committee [SRC] consisting majority of members of the Board of Director. The Chairman of the Committee is a member of the Board of Directors of the Company. The Risk Management Committee comprised of :

Shri J N Godbole - Chairman

Shri J K Devgupta – Non Executive Director w.e.f 30.5.2016

Shri Sant Khare - CEO

Shri V J Doshi - CFO

Shri R H Kilachand – Executive Director w.e.f 30.5.2016

9. General Body Meetings:

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

AGM	Financial Year ended	Date	Location	Time
AGM	31.3.2015	23.9.2015	M. C. Ghia Hall	3:30 p.m
AGM	31.3.2014	4.7.2014	M. C. Ghia Hall	3:30 p.m
AGM	31.3.2013	11.7.2013	M. C. Ghia Hall	3:30 p.m

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

Date of AGM	Particulars of Special Resolution passed thereat
23.9.2015	Resolution u/s.188 approving Related party transactions up to an amount not exceeding Rs.46 crore from 1.4.2014 to 31.03.2016.
4.7.2014	Adoption of new Articles of Association containing regulations in conformity with the Companies Act, 2013.
11.7.2013	<p>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 14.9.2013.</p> <p>b) Resolution under Section 198, 309, 310 and other applicable provisions of the Companies Act, 1956 relating to payment of Commission to Non Executive Directors not exceeding 1% of the Net profits of the Company every year with effect from financial year 2013-14.</p> <p>c) Resolution under 81(1A) of the Companies Act, 1956 to issue securities upto an amount not exceeding `100 crore.</p>

iii. Details of Resolutions passed during the Financial Year 2014-2015 through Postal Ballot, the person who conducted the Postal ballot exercise, procedure for Postal Ballot and details of the Voting Pattern:

During the year ended March 31, 2015, the Company sought approval from its shareholders for passing Special Resolutions through the process of Postal Ballot / E-Voting in accordance with the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2014. The Board of Directors of the Company, at its meetings had appointed a Scrutinizer for conducting the Postal Ballot / E-Voting process in a fair and transparent manner.

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 30th September, 2014 (Notice dated 7th August, 2014)

Sr.	Particulars	Details / Dates
1.	Date of Board Meeting	7.8.2014
2.	Scrutinizer appointed by the Board of Directors at its Meeting	Ms. Ragini Chokshi
3.	Date of Notice seeking Shareholders approval	7.8.2014
4.	Date of completion of dispatch of Notice	25.8.2014
5.	Last date of receipt of duly filled Postal Ballot Form	26.9.2014
6.	Date of submission of Scrutinizer's Report to the Chairman	30.9.2014
7.	Date of declaration of Result	30.9.2014

b) Particulars of Resolutions passed

1: Special Resolution	Under Section 180(1)(a) of the Companies Act, 2013 to Create Mortgage / Charge on the assets of the Company.
2: Special Resolution	Under Section 180(1)(c) of the Companies Act, 2013 regarding borrowing powers of the Company.
3: Special Resolution	Under Section 186 of the Companies Act, 2013 to make Investments, give loan / guarantee or provide security against a loan as mentioned in the resolution.

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c) Voting Pattern [E-Voting+ Ballot Paper]

Particulars	Total valid votes	Total valid votes cast in favour of the Resolution	Total valid votes cast against the Resolution
Resolution 1	31,41,551	31,41,551 (100%)	-
Resolution 2	31,41,537	31,41,502 (99.999%)	35 (0.001%)
Resolution 3	31,41,537	31,41,537 (100%)	-

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

v. Procedure for Postal Ballot

In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Companies Act, 2013 ("Act") read with the related Rules as amended from time to time, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or E-voting.

The Company dispatches the Postal Ballot Notice and Form along with postage prepaid Business Reply Envelope to its members whose names appear on the register of members/list of beneficiaries as on a cut-off date. The Postal Ballot Notice is sent to members in electronic form to the email addresses registered with the depository participants (in case of demat shareholding)/Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the Scrutiniser on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of E-voting.

The Scrutiniser submits his report to the Chairman, after the completion of scrutiny, and the results of the voting by Postal Ballot are then announced by the Chairman. The results are also displayed on the website of the Company, besides being communicated to the Stock Exchanges, NSDL and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

13. Disclosures:

- i. All transactions entered into during the financial year 2015-2016 with Related Parties as defined under the Companies Act and were in the ordinary course of business and on an arms length basis. The Material Related Party transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions with Kesar Multimodal Logistics Ltd as required under Section 134(3) of the Companies Act in Form AOC 2 is annexed to the Directors' Report. 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.

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iv. Whistle Blower Policy / Vigil Mechanism

In staying true to our values of Strength, Performance and Passion, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. We confirm that during the financial year 2015-2016, no Employee of the Company was denied access to the Audit Committee.

The details of Whistle Blower Policy are available on the website of the Company, **[www.kesarinfra.com/Investor's Corner/Policies](http://www.kesarinfra.com/Investor's%20Corner/Policies)**

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud / misconduct on: E-Mail: **headoffice@kesarinfra.com** Tel: 022-22851737

- v. Certification: The requisite certification from the Executive Director and Chief Financial Officer (CFO) certifying inter alia that the Financial Statement do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs, as required under Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been placed before the Board of Directors of the Company and annexed to this report.
- vi. The Company has complied with all applicable mandatory requirements of the SEBI (LODR) Regulations 2015. A certificate from M/s. Ragini Choshi & Co, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated there under is annexed to this Report.

14. 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 upload / 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.

15. 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	:	3rd August, 2016.
	Time	:	3:30 p.m.

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	Venue	: M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001.
d.	Financial Year	2015-2016
e.	Next Financial Year ending	: 31st March, 2017
f.	Next Annual General Meeting	By 30th September, 2017
g.	Financial Reporting for the year 2016-17 For 1st quarter ended 30th June, 2016 For 2nd quarter ending 30th September, 2016 For 3rd quarter ending 31st December, 2016 For 4th quarter ending 31st March, 2017	: By 14th August, 2016 : By 14th November, 2016 : By 14th February, 2017 : By 30th May, 2017
h.	Date of Book Closure	: Wednesday, 27th July 2016 to Wednesday, 3rd August, 2016 (both days inclusive)
	Dividend Payment Date	The Dividend, if declared shall be paid on 19.8.2016
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 2016-2017.
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 Luthra Industria. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai – 400 072	Oriental House, J. Tata Road, Churchgate, Mumbai-400020
Tel.:28515606/ 28515644 Fax: 2851 28 85 Email: sharexindia@vsnl.com	Tel: 22042396 / 22851737 Fax: 22876162 Email: dilipmaharana@kesarindia.com

Share Transfer System:

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

Pursuant to the SEBI (LODR) Regulations 2015 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 the SEBI (Depositories and Participants) Regulation, 1996, certificates have also been received from the 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.

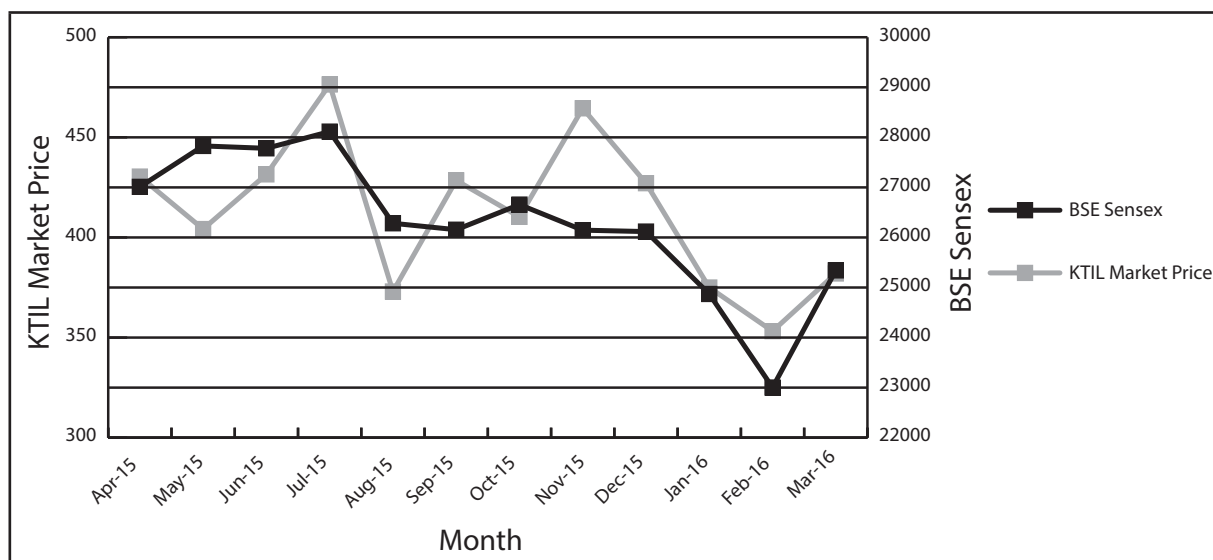
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Stock Market Data:

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

Month	BSE		NSE	
	High	Low	High	Low
April 2015	480.90	380.00	478.70	380.05
May 2015	446.50	380.50	449.50	389.70
June 2015	450.00	323.50	450.00	325.05
July 2015	498.20	376.00	497.40	389.75
August 2015	485.00	330.00	488.00	316.65
September 2015	441.50	339.10	443.95	336.50
October 2015	468.80	402.00	469.00	376.10
November 2015	487.90	383.90	488.00	381.50
December 2015	466.30	415.10	464.90	414.40
January 2016	459.00	342.00	457.00	345.05
February 2016	450.00	345.60	449.90	344.40
March 2016	410.10	360.00	414.95	335.00

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



Distribution of shareholding as on 31st March, 2016:

Shareholding in Nominal Value of Rs.	Share Holders		Share Amount	
	No.	% of Holders	In Rs.	% to Total
Upto - 5,000	6118	91.67	5740230	10.93
5,001 -10,000	283	4.24	2106790	4.01
10,001 - 20,000	133	1.99	1837440	3.5
20,001 - 30,000	46	0.69	1142380	2.17
30,001 - 40,000	27	0.4	969430	1.85
40,001 - 50,000	14	0.21	633030	1.21
50,001 - 1,00,000	29	0.43	1946880	3.71
1,00,001 - and above	24	0.36	38154950	72.63
Total	6674	100	52531130	100

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Categories of Shareholders as on 31st March, 2016:

About 95.51% of the total shareholding in the Company representing 50,17,209 shares are held in dematerialized form.

	Category of Shareholder	No of Shares Held	No of Shares in Demat Form	%
A.1.	Promoter & its Group - Indian Individual / HUF	875209	816019	16.661
	Bodies Corporate	2272715	2272715	43.264
	Total Shareholding Promoter & Group Total (A)	3147924	3088734	59.925
B.1	Public Shareholding – Institutions			
a	Mutual Funds	70	0	0.001
b	Financial Institutions / Banks	1262	776	0.024
c	Central / State Government	770	770	0.015
d	Venture Capital Fund	1500	1500	0.029
e	Insurance Companies	255941	255941	4.872
	Sub-Total-B(I)	259543	258987	4.941
B.2	Non-Institutions			
a	Bodies Corporate	305982	305009	5.825
b	Individual Shareholders	1465929	1290884	27.906
c	Others - Clearing Members	13542	13542	0.258
	Non Resident Indians	60193	60053	1.145
	Sub-Total-B(2)	1845646	1669488	35.134
	Total (B)=B(1)+B(2)	2105189	1928475	40.075
	Total (A+B)	5253113	5017209	100.00

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

Guidance to Shareholders:

- 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 15 above.
- 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.
- 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:-
 - Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.

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- 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 72 of the Companies Act, 2013 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
14.09.2010	2009-2010	Final @ 20%	12.11.2017
04.02.2011	2010-2011	Interim @15%	04.04.2018
29.06.2011	2010-2011	Final @ 10%	27.08.2018
14.09.2012	2011-2012	Final @ 25%	13.11.2019
11.07.2013	2012-2013	Final @30%	10.09.2020
12.02.2014	2013-2014	Interim @15%	12.04.2021
04.07.2014	2013-2014	Final @15%	04.09.2021
23.09.2015	2014-2015	Final@35%	23.11.2022

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 125 of the Companies Act, 2013 [erstwhile Section 205C of the Companies Act, 1956]. Thereafter, the shareholders will not be able to get the same.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

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 March 31, 2016, as stipulated in Regulation 17 to 27, Clauses (b) to (i) of Regulation 46 (2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulation) with Stock Exchanges in India.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

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 in all material respect complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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 Ragini Chokshi & Co.

Place : Mumbai
Date : 1.7.2016

Mrs. Ragini Chokshi
(Partner)
C.P. No. 1436
FCS No. 2390

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DECLARATION

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/Management Personnel for the Financial Year 2015-16

Place : Mumbai
Date : 1.7.2016

R. H. Kilachand
Executive Director
DIN: 07241625

CERTIFICATION

Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors

Kesar Terminals & Infrastructure Limited

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

1. We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief :
 - (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 listed entity's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
3. 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 listed entity pertaining to financial reporting and we 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 we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
 - (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 they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over Financial Reporting.

Place : Mumbai
Date : 1.7.2016

R. H. Kilachand V J Doshi
Executive Director Chief Financial Officer
DIN: 07241625

INDEPENDENT AUDITOR'S REPORT

To the Members of Kesar Terminals & Infrastructure Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Kesar Terminals & Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2016, its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 26 on Contingent Liabilities to the standalone financial statements;
- (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

Atul Gala

Partner

Membership No. 048650

Place: Mumbai

Date: May 30, 2016

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kesar Terminals & Infrastructure Limited on the standalone financial statements for the year ended March 31, 2016]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company except for three piece of Leasehold Land and building constructed thereon with a Gross block of ₹ 57,156,001 and Net Block of ₹ 21,631,810. The Leasehold land has been transferred from Kesar Enterprises Limited to the Company on account of scheme of demerger sanctioned by Hon' ble High Court of Bombay. However Kandla Port Trust has raised a demand towards transfer fees for which Company has filed a writ petition with Hon'ble High Court of Gujarat. Refer note nos. 28 to the notes to financial statements.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

- (iii) The Company has granted, unsecured interest free loan to the Subsidiary Company, covered in the register maintained under Section 189 of the Act.
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.
- (b) The interest free loan is repayable on demand after April 1, 2017. Accordingly, paragraph 3(iii)(c) of the Order is not applicable to the Company.
- (iv) Based on information and explanation given to us and on the basis of the legal opinion obtained by the Company, in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under with regard to the acceptance of deposits. Further, as informed, 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.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending/ rectification is filed	Remarks
Income Tax Act, 1961	Income Tax	5,826,961	Assessment Year 2013-14	Rectification u/s 154 filed with Asst. Commissioner of Income Tax	Net of Advance tax of ₹ 26,650,000 self assessment tax of ₹ 5,000,000 and Dividend Distribution tax of ₹ 2,130,465. Refer Note Nos. 40.
Income Tax Act, 1961	Penalty	2,442,420	Assessment Year 2013-14	Commissioner of Income Tax (Appeals)	

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions & banks and does not have any loan or borrowings from government or debenture holder.

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- (ix) The Company has not raised money by way of public issue offer/ further public offer during the year. In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.
- (x) 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 by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Atul Gala
Partner
Membership No.048650

Place: Mumbai
Date: May 30, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kesar Terminals & Infrastructure Limited on the standalone financial statements for the year ended March 31, 2016]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kesar Terminals & Infrastructure Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

Atul Gala

Partner

Membership No. 048650

Place: Mumbai

Date: May 30, 2016

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BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	(in ₹)	
		As at 31st March 2016	As at 31st March 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	3	52,531,130	52,531,130
(b) Reserves and Surplus	4	658,844,570	509,768,760
2 Non-current liabilities			
(a) Long Term Borrowings	5	87,574,461	131,465,446
(b) Deferred tax liabilities (Net)	6	32,361,490	32,525,327
(d) Long Term Provisions	7	5,877,855	4,943,240
3 Current liabilities			
(a) Trade payables	8	25,093,949	13,427,388
(b) Other Current Liabilities	9	118,916,250	105,620,417
(c) Short Term Provisions	10	70,144,932	54,932,184
TOTAL		1,051,344,637	905,213,892
II. ASSETS			
1 Non-current assets			
(a) Fixed Assets	11		
(i) Tangible Assets		287,604,059	305,899,199
(ii) Intangible Assets		-	3,800
(iii) Capital Work in Progress		26,283,233	26,200,483
(b) Non Current Investments	12	514,155,000	417,755,000
(c) Long Term Loans and Advances	13	157,732,582	87,268,970
(d) Other Non- Current Assets	14	5,829,935	4,423,976
2 Current assets			
(a) Inventories	15	1,022,810	893,057
(b) Trade Receivables	16	43,507,866	39,509,390
(c) Cash and Bank Balances	17	12,444,057	19,229,463
(d) Short Term Loans and Advances	18	2,492,554	2,600,870
(e) Other Current Assets	19	272,541	1,429,684
TOTAL		1,051,344,637	905,213,892
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI FRN NO.103523W

Atul Gala

Partner

Membership No. 048650

For and on behalf of the Board of Directors

A S Ruia

Chairman

DIN 00296622

R H Kilachand

Executive Director

DIN 07241625

V J Doshi

Chief Financial Officer

Dilip Maharana

Company Secretary

Place: Mumbai

Date: 30th May, 2016

Place: Mumbai

Date: 30th May, 2016

KESAR TERMINALS & INFRASTRUCTURE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(in ₹)

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
I. Revenue From Operations	20	439,682,814	422,361,173
II. Other Income	21	4,924,946	2,329,159
III. Total Revenue (I + II)		444,607,760	424,690,332
IV. Expenses:			
Employee benefits expense	22	79,792,313	77,546,851
Finance Cost	23	27,557,290	23,647,377
Depreciation and amortization expense		19,443,733	22,707,706
Other expenses	24	96,261,407	90,269,379
Total Expenses		223,054,743	214,171,313
V. Profit before tax (III-IV)		221,553,017	210,519,019
VI Tax Expense:			
(a) Current tax [including prior year tax provision written back ₹ 9,801,482 (Previous year ₹ 7,175,074)]		66,318,518	64,524,926
(b) Deferred tax		(163,837)	934,967
VII Profit for the year (V-VI)		155,398,336	145,059,126
VIII Basic & Diluted Earnings per equity share	37	29.58	27.61
[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 attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI FRN NO.103523W

Atul Gala

Partner

Membership No. 048650

For and on behalf of the Board of Directors

A S Ruia

Chairman

DIN 00296622

R H Kilachand

Executive Director

DIN 07241625

V J Doshi

Chief Financial Officer

Dilip Maharana

Company Secretary

Place: Mumbai

Date: 30th May, 2016

Place: Mumbai

Date: 30th May, 2016

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	(in ₹)	
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	221,553,017	210,519,019
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	19,443,733	22,707,706
Dividend Income	(500)	(500)
Interest Income	(1,105,821)	(2,042,781)
Interest and Finance Charges	27,557,290	23,967,717
Loss/ (Profit) on sale of Fixed Assets	(4,667)	437,458
Credit Balances Written Back	(19,838)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	267,423,214	255,588,619
Movements in working capital:		
Decrease / (Increase) in Inventories	(129,753)	313,007
Decrease / (Increase) in Trade Receivables	(3,998,476)	(745,646)
Decrease / (Increase) in Short term Loans & Advances	108,316	1,899,661
Decrease / (Increase) in Long term Loans & Advances	(70,463,612)	(83,750,051)
Decrease / (Increase) in Other current assets	1,736,635	(1,625,808)
Decrease / (Increase) in Other non current assets	(867,189)	(1,283,219)
Increase / (Decrease) in Trade Payables	11,666,561	10,991,983
Increase / (Decrease) in Other Current Liabilities	10,476,757	(3,935,697)
Increase / (Decrease) in Short term Provisions (Employee benefits)	2,090,995	374,130
Increase / (Decrease) in Long term Provisions	934,615	2,902,782
CASH GENERATED FROM OPERATIONS	218,978,063	180,729,761
Taxes (Paid)	(41,133,396)	(62,464,430)
NET CASH GENERATED FROM OPERATING ACTIVITIES	177,844,667	118,265,330
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets including Intangible Assets & CWIP	(1,529,876)	(18,736,070)
Sale of Fixed Assets	307,001	(0)
Sale of Investments	(96,400,000)	(160,000,000)
Interest Received	1,001,563	2,029,326
Dividend Received	500	500
NET CASH (USED IN) INVESTING ACTIVITIES	(96,620,812)	(176,706,244)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Borrowings	(90,640,288)	(115,178,954)
Proceeds from Borrowings	49,900,000	201,559,651
Dividend Paid	(14,365,592)	(6,467,060)
Dividend Distribution Tax Paid	(3,742,944)	(1,339,150)
Interest Paid	(28,146,433)	(22,571,605)
NET CASH (USED IN) FINANCING ACTIVITIES	(86,995,257)	56,002,882

KESAR TERMINALS & INFRASTRUCTURE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	(in ₹)	
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(5,771,402)	(2,438,032)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	16,903,680	19,341,712
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11,132,278	16,903,680
COMPONENTS OF CASH AND CASH EQUIVALENTS {refer note 17 (A)}		
Cash on Hand	409,340	425,866
With Bank on Current Account	8,076,823	14,087,826
on Deposit Account	1,400,000	1,421,233
unclaimed Dividend Account *	1,246,115	968,755
TOTAL CASH AND CASH EQUIVALENTS	11,132,278	16,903,680

* 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 attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI FRN NO.103523W

Atul Gala

Partner

Membership No. 048650

Place: Mumbai

Date: 30th May, 2016

For and on behalf of the Board of Directors

A S Ruia

Chairman

DIN 00296622

V J Doshi

Chief Financial Officer

R H Kilachand

Executive Director

DIN 07241625

Dilip Maharana

Company Secretary

Place: Mumbai

Date: 30th May, 2016

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

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, 47,53,113 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.

The Company is mainly engaged in the business of renting of liquid storage tanks at Kandla and is in process of commencing its operation at Pipavav and Kakinada Port.

2 Significant Accounting Policies

A. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014 the relevant provisions of the Companies Act 2013 as applicable, and guidelines issued by The Securities Exchange Board of India (SEBI) as applicable. The financial statements have been prepared and presented under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company with those of the previous year in accordance with Generally Accepted Accounting Principles in India.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of the revenue and expenses during the reporting period and disclosures of contingent liabilities as of the date of the financial statements. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

C. Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefit will flow to the Company and revenue can be reliably measured.

Income from services is generally recognised (net of service tax as applicable) 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.

Dividend income is accounted for when the right to receive the income is established.

D. Fixed Assets

- a) Fixed Assets (whether Tangible or Intangible) except Freehold Land are stated at cost of acquisition less accumulated depreciation/ amortization/ impairment loss (if any), net of CENVAT (wherever claimed).

**NOTES FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016**

The cost of fixed assets includes taxes, duties, freight, borrowing cost, if capitalization criteria are met and other incidental expenses incurred in relation to their acquisition/ bringing the assets for their intended use.

- b) Freehold Lands are stated at cost of acquisition.
- c) Subsequent additional expenditure related to fixed assets are added only if they increase the future economic benefits from the existing assets beyond its previously assessed standard of performance.

E. Impairment of Assets

The carrying amounts 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. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired. Impairment loss recognised in prior years is reversed when there is indication that an impairment loss recognised for an asset no longer exists or has decreased.

F. Depreciation/ Amortization

- a) Leasehold Land and Premium on Leasehold Land is amortised over the period of the lease.
- b) Depreciation on Plant and Machinery has been provided on Straight Line Method based on remaining useful lives of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- c) For all other assets, depreciation has been provided on Written Down Value Method based on remaining useful lives of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- d) 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.
- e) Depreciation on assets, whose actual cost do not exceed ₹.5,000 is provided for at the rate of hundred percent.
- f) Intangible assets are amortized over their respective individual estimated useful lives on a Straight-line basis, commencing from the date of asset is available to the Company for its use.

G. Capital Work-in-Progress

Expenditure during the construction/ pre-operative period is included under Capital Work-in-Progress and the same is allocated to the respective fixed assets on the completion of their construction.

H. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term/ non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term 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 long term investments.

I. Inventories

Stores and Spares are valued at lower of cost or net realizable value. Cost is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

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 benefit in the form of Provident Fund is a defined contribution scheme and the contribution is charged to the Statement of Profit and Loss in the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the respective fund.
- 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, at the end of each financial year.
- c) Compensated absences are provided for based on actuarial valuation on projected unit credit method.
- d) Obligation is measured at the present value of the future cash flows using a discount rate that is based on the prevailing yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- e) Actuarial gains/losses are charged to Statement of profit and loss and are not deferred.
- f) Other short term employee benefits are recognized as an expense on accrual basis.

L. Foreign Exchange Transactions

Transactions in foreign currencies are accounted at the initially recorded exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year-end rates. 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 premium or discount being the differences between the forward exchange rate and the exchange rate at the inception of the contract is recognized as expense or income over the life of the contract. The exchange difference either on settlement or translation is recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are reported using the exchange rate prevalent at the date of transaction.

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 timing differences between taxable income and accounting income during the current year and reversal of timing differences of earlier years.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are measured using the tax rates and laws enacted / substantively enacted at the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty, except for carried forward losses and unabsorbed depreciation which is recognized based on virtual certainty, supported by convincing evidence that the assets will be realized in future against future taxable profits.

Carrying amount of 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 against future taxable income.

**NOTES FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016**

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax asset and deferred tax liability relate to same taxable entity and the same taxation authority.

N. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss after tax for the year (net of prior period items) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss after tax (net of prior period items) for the year 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 & Contingent Assets

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.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are neither recognized nor disclosed, in the financial statements

Q. Leases (where the company is a lessee)

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.

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016

3. SHARE CAPITAL

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	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 (Previous year ₹. 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 the beginning and at the end of reporting period

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	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	-	-	-	-
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, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their holdings.
- During the year ended 31st March 2016, the amount of Final dividend recognised ₹ 1.00 (31st March 2015: ₹3.50) per Equity Share.

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	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	500,000	9.52%	499,994	9.52%
M H Kilachand	307,860	5.86%	145,860	2.78%

(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)				
	2015-16	2014-15	2013-14	2012-13	2011-12
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016

4. RESERVES & SURPLUS

Particulars

(In ₹)

As at
31st March, 2016 As at
31st March, 2015

(a) General Reserve

Opening Balance	249,600,000	199,600,000
(+) Current Year Transfer	50,000,000	50,000,000
Closing Balance	299,600,000	249,600,000

(b) Surplus

Opening balance	260,168,760	188,682,119
(-) Depreciation (Companies Act 2013) (Net of taxes)	-	1,443,645
(+) Net Profit for the current year	155,398,336	145,059,126
(-) Proposed Final Dividend {Refer Note 3 (b) (ii) }	5,253,113	18,385,896
(-) Dividend Distribution Tax	1,069,413	3,742,944
(-) Transfer to Reserves	50,000,000	50,000,000
Closing Balance	359,244,570	260,168,760
Total	658,844,570	509,768,760

5. LONG TERM BORROWINGS

(a) Secured Borrowings

(i) Term Loans From Banks

Corporate Loan

Tranch I

37,500,000 112,500,000

Secured by exclusive charge on all tanks, movable Fixed Assets and Current Assets both present and future at Kandla. (Terminal I & II)

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.

Tranch II

45,316,667 -

Secured by exclusive charge on all tanks, movable Fixed Assets and Current Assets both present and future at Kandla. (Terminal I & II)

Terms of Repayments:- Repayable from Nov'2016 in 48 Equal Monthly Installments. Interest is payable at Base Rate of Lender Bank Plus 2.50% p.a. with monthly rest.

(ii) From others (various Finance Companies)

Vehicle Loans

1,687,500 2,847,036

Secured by way of hypothecation of respective vehicles.

Terms of Repayments:- Repayable in 36 to 60 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

84,504,167 115,347,036

[Out of total Secured Borrowings of ₹ 165,235,279 (Previous Year ₹ 191,750,794), borrowings of ₹ 80,731,112 (Previous Year ₹ 76,403,758) having Current Maturities, have been disclosed in Note No.9]

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	(In ₹)	
	As at 31st March, 2016	As at 31st March, 2015
(b) Unsecured Borrowings		
(i) Loans from Customers	3,070,294	9,230,410
Terms of Repayments:- Repayable in 60 Equated Monthly Installments from the date tanks are put to use and carrying simple interest @ 13% p.a.		
(ii) Fixed Deposits from Public	-	6,888,000
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	3,070,294	16,118,410
[Out of total Unsecured Borrowings ₹ 17,760,439 (Previous Year ₹. 31,985,212), borrowings of ₹ 14,690,145 (Previous Year ₹.15,866,802) having Current Maturities, have been disclosed in Note No.9]		
Total	87,574,461	131,465,446
6. DEFERRED TAX LIABILITIES (NET)		
(a) Deferred Tax Liability		
Impact of difference between Tax Depreciation & Depreciation / Amortisation charged as per Companies Act.	35,372,888	34,326,358
(b) Deferred Tax Assets		
Expenses allowable on payment basis for Tax purposes	3,011,398	1,801,031
Net Deferred Tax Liability (a-b)	32,361,490	32,525,327
7. LONG TERM PROVISIONS		
Provision for employee benefits		
Leave Encashment (unfunded)	5,877,855	4,943,240
Total	5,877,855	4,943,240
8. TRADE PAYABLES		
Total outstanding Dues to Micro and Small Enterprises (refer note no. 36)	-	-
Total outstanding Dues of Creditors other than Micro and Small Enterprises	25,093,949	13,427,388
Total	25,093,949	13,427,388

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

9. OTHER CURRENT LIABILITIES

Particulars	(In ₹)	
	As at 31st March, 2016	As at 31st March, 2015
(a) Current maturities of long-term debt		
(i) Current maturities of long-term debt - secured borrowings (refer note no. 5)	80,731,112	76,403,758
(ii) Current maturities of long-term debt - unsecured borrowings (refer note no. 5)	14,690,145	15,866,802
(b) Interest accrued but not due on borrowings	3,083,600	3,672,743
(c) Advance from Customer	1,055,466	289,386
(d) Unclaimed dividends	1,246,115	968,755
(e) Payable to Related Party	6,585,387	3,500,000
(f) Statutory Dues	5,685,158	947,588
(g) Payables -(For other contractual obligations)	5,010,846	2,165,915
(h) Outstanding Liabilities for expenses	828,421	1,805,470
Total	118,916,250	105,620,417

10. SHORT TERM PROVISIONS

(a) Provision for employee benefits		
(i) Gratuity (Funded) {refer note no. 30}	2,325,271	804,793
(ii) Leave Encashment (Unfunded)	2,161,396	1,590,879
(b) Others		
(i) Provision for Income Tax	59,335,739	30,407,672
[Net of Advance Income Tax of ₹.142,719,605 (Previous Year ₹. 144,512,328)]		
(ii) Proposed Final Dividend	5,253,113	18,385,896
(iii) Dividend Distribution Tax	1,069,413	3,742,944
Total	70,144,932	54,932,184

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

11 FIXED ASSETS (Owned, unless stated otherwise)

Particulars	Gross Block			Accumulated Depreciation			Net Block (In ₹)
	Balance as at 1st April, 2015	Additions	Disposals	Balance as at April, 2015	Depre- ciation / amortization charge for the year	Balance as at 31st Mar, 2016	
(a) Tangible Assets							
(i) Land							
(1) Free Hold Land	49,831,576	-	-	49,831,576	-	-	49,831,576
(2) Lease Hold Land	1,826,902	-	-	1,826,902	60,779	1,791,310.03	35,592
(3) Lease Hold Land Premium	567,000	-	-	567,000	18,878	555,983.07	11,017
	52,225,478	-	-	52,225,478	79,657	2,347,293	49,878,185
(ii) Buildings (on Leased Land)	54,762,099	-	-	54,762,099	3,652,842	33,137,176	21,624,923
(iii) Plant and Equipment	482,292,598	1,173,230	5,850	483,459,978	11,128,457	5,558 276,463,123	206,996,855
(iv) Furniture and Fixtures	6,964,749	68,374	-	7,033,123	834,783	4,887,028	2,146,095
(v) Office Equipments	7,539,953	205,522	62,357	7,683,118	1,122,421	5,954,062	1,729,056
(vi) Vehicles	18,099,170	-	2,240,459	15,858,711	2,621,773	1,946,902	5,228,945
Total (a)	621,884,047	1,447,126	2,308,666	621,022,507	19,439,933	2,006,332	287,604,059
(b) Intangible Assets							
Computer software	1,422,578	-	-	1,422,578	3,800	1,422,578	-
Total (b)	1,422,578	-	-	1,422,578	3,800	1,422,578	-
Total (a+b)	623,306,625	1,447,126	2,308,666	622,445,085	19,443,733	2,006,332	287,604,059
(c) Capital Work In Progress (Refer Note No 27)							
	26,200,483	82,750	-	26,283,233	-	-	26,283,233
Total (a+b+c)	649,507,108	1,529,876	2,308,666	648,728,318	19,443,733	2,006,332	313,887,292

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31ST MARCH, 2016**

NOTE NO 11: FIXED ASSETS (Owned, unless stated otherwise)

Particulars	Gross Block			Accumulated Depreciation			Net Block
	Balance as at 1st April, 2014	Additions	Disposals	Balance as at 31st March, 2015	Write off as per Companies Act 2013	Depreciation / amortization charge for the year	Balance as at 31st March, 2015
(a) Tangible Assets							
(i) Land							
(1) Free Hold Land	42,113,796	7,717,780	-	49,831,576	-	-	49,831,576
(2) Lease Hold Land	1,826,902	-	-	1,826,902	-	60,779	96,371
(3) Lease Hold Land Premium	567,000	-	-	567,000	-	18,878	29,895
(ii) Buildings (on Leased Land)	44,507,698	7,717,780	-	52,225,478	2,187,979	- 79,657	49,957,842
(iii) Plant and Equipment	54,762,099	-	-	54,762,099	24,124,672	151,835	25,277,765
(iv) Furniture and Fixtures	470,333,019	13,456,606	1,497,028	482,292,598	253,218,932	2,035,174	216,952,375
(v) Office Equipments	6,833,499	131,250	-	6,964,749	2,898,888	-	2,912,504
(vi) Vehicles	5,917,328	1,622,625	-	7,539,953	3,424,015	-	2,654,439
Total (a)	596,209,006	27,172,068	1,497,028	621,884,047	292,484,137	2,187,009	305,899,199
(b) Intangible Assets							
Computer software	1,408,778	13,800	-	1,422,578	1,084,343	-	3,800
Total (b)	1,408,778	13,800	-	1,422,578	1,084,343	- 334,435	3,800
Total (a+b)	597,617,784	27,185,868	1,497,028	623,306,625	293,568,480	22,707,706	305,902,999
(c) Capital Work In Progress	34,650,281	4,968	8,454,766	26,200,483	-	-	26,200,483
(Refer Note No 27)							
Total (a+b+c)	632,268,065	27,190,836	9,951,794	649,507,108	293,568,480	22,707,706	332,103,482

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016

12. NON CURRENT-INVESTMENTS

		(In ₹)	
Particulars	As at 31st March, 2016	As at 31st March, 2015	
Trade Investments (valued at cost)			
Unquoted Equity Instruments			
(a) Investment in Subsidiary Company			
41,775,000 Equity Shares (previous Year 41,775,000 Equity Shares) of ₹ 10/- each fully paid in Kesar Multimodal Logistics Ltd.	417,750,000	417,750,000	
Extent of Holding:- 99.94% (Previous Year 99.94%) of total issued and paid up Equity Share Capital of Kesar Multimodal Logistics Limited			
964,000 Zero Coupon Preference Shares (Previous Year Nil) of ₹ 10/- each fully paid in Kesar Multimodal Logistics Ltd.	96,400,000	-	
Extent of Holding:- 100% (Previous Year Nil) of total issued and paid up Preference Share Capital of Kesar Multimodal Logistics Limited			
Other Investments (valued at cost)			
Investments in Equity Instruments (Unquoted)			
200 Shares of ₹.25 each fully paid in Jain Sahakari Bank Ltd (Prevoius year 200 Shares of ₹ 25 each)	5,000	5,000	
{Aggregate amount of Unquoted Investments is ₹.514,155,000 (Previous Year ₹. 417,755,000)}			
Total	514,155,000	417,755,000	

13. LONG TERM LOANS AND ADVANCES

Unsecured, Considered good

(a) Security Deposits	2,300,812	2,223,509
(b) Loans and Advances to Employees	31,770	70,461
(c) Loans and Advances to Related Party		
Advance to Subsidiary Company	155,400,000	84,975,000
Total	157,732,582	87,268,970

14. OTHER NON-CURRENT ASSETS

Unsecured, Considered good

(a) Fixed Deposits with maturity of more than 12 months (Held as lien/security with various bank)	5,214,869	4,347,680
(b) Interest accrued on Deposits	610,312	6,780
(c) Interest accrued on staff loan	4,754	69,516
Total	5,829,935	4,423,976

15. INVENTORIES

Stores and spares (Valued at Lower of Cost and Net Realisable Value)	1,022,810	893,057
Total	1,022,810	893,057

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016

16. TRADE RECEIVABLES

Particulars	(In ₹)	
	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered good		
(a) Outstanding for a period exceeding six months from the date they are due for payment	32,973	-
(b) Others	43,474,893	39,509,390
Total	43,507,866	39,509,390

17. CASH AND BANK BALANCES

A. Cash and Cash Equivalents

(a) Balance with Banks		
(i) on Current Accounts	8,076,823	14,087,826
(ii) on unclaimed Dividend Accounts	1,246,115	968,755
(iii) on Fixed Deposits Accounts with original maturity of less than 3 months	1,400,000	1,421,233
(b) Cash on hand	409,340	425,866

B. Other Bank Balances

Fixed Deposits with original maturity of more than 3 months but less than 12 months	1,311,779	2,325,783
Total	12,444,057	19,229,463

18. SHORT TERM LOANS AND ADVANCES

Unsecured, Considered good

Others

(a) Prepaid expenses	1,014,408	1,342,901
(b) Service Tax Receivable	1,222,325	1,005,380
(c) Loans and Advances to Employees	184,494	187,489
(d) Other advances recoverable in cash or kind	71,327	65,100
Total	2,492,554	2,600,870

19. OTHER CURRENT ASSETS

Unsecured , Considered Good

(a) Interest accrued on staff loans	64,762	118,384
(b) Interest accrued on Deposits	207,779	588,669
(c) Interest accrued on Loan to Subsidiary	-	722,631
Total	272,541	1,429,684

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016

20. REVENUE FROM OPERATIONS

(In ₹)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) Sale of Services (Income from providing storage tanks on hire/rental basis for liquid cargo and other related services)	439,087,752	421,408,847
(b) Other operating revenue (Handling charges)	595,062	952,326
Total	439,682,814	422,361,173

21. OTHER INCOME

(a) Interest on		
(i) Fixed Deposits	1,008,458	1,132,742
(ii) Others	97,363	910,039
(b) Dividend Income	500	500
(c) Credit Balance Written Back	19,838	-
(d) Sale of Scrap	3,572,407	-
(e) Profit on Sale of Assets	4,667	-
(f) Miscellaneous Receipts	221,713	285,878
Total	4,924,946	2,329,159

22. EMPLOYEE BENEFIT EXPENSE

(In ₹)

(a) Salaries and Wages	69,916,272	67,297,709
(b) Contribution to P.F. Fund	5,303,774	4,972,280
(c) Contribution to Gratuity Fund (refer note no. 30)	2,572,535	3,810,259
(d) Staff Welfare	1,999,732	1,466,603
Total	79,792,313	77,546,851

23. FINANCE COST

(a) Interest Expense	25,805,803	23,403,670
(b) Other Borrowing Costs		
(i) Finance Charges	1,688,251	13,853
(ii) Others including Bank Charges	63,236	229,854
Total	27,557,290	23,647,377

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016

24. OTHER EXPENSES

(In ₹)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) Storage & Handling Charges	5,621,936	5,498,562
(b) Power & Fuel	9,201,992	9,040,129
(c) Rent	11,956,589	11,235,698
(d) Repairs		
(i) Plant & Machinery	35,017,751	31,102,544
(ii) Buildings	-	11,450
(iii) Others	2,099,090	3,044,269
(e) Insurance	1,449,069	1,303,323
(f) Rates & Taxes	742,640	1,730,923
(g) Selling agent Commission & Brokerage	775,427	1,758,146
(h) Legal & Professional Fees	2,777,196	3,095,490
(i) Directors Sitting Fees	1,840,000	1,180,000
(j) Commission to Directors	-	1,000,000
(k) Auditors Remuneration		
(i) Audit Fees	335,000	335,000
(ii) For Certification	165,000	190,000
(iii) Out Of Pocket Expenses	10,455	7,865
(l) Loss on Sale of Assets / Assets Discarded	-	437,458
(m) Travelling Expenses	7,988,455	5,756,738
(n) CSR Expenditure u/s 135 of Companies Act, 2013 (refer note no 31)	-	1,387,182
(o) Miscellaneous Expenses	16,280,807	12,154,602
Total	96,261,407	90,269,379

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

25 Capital and other Commitments

Particulars	As at 31 st March 2016 (₹)	As at 31 st March 2015 (₹)
Other :		
Estimated amount of contracts remaining to be executed and not provided for	609,464	300,000
Loan Processing Fees for Term Loan Sanctioned	1,250,000	-
Total	1,859,464	300,000

26 Contingent Liabilities

Particulars	As at 31 st March 2016 (₹)	As at 31 st March 2015 (₹)
(a) Claims against the Company not acknowledged as debts:		
(i) Additional demand on account of revision in rates of Lease Rent	37,199,818	37,199,818
(ii) Additional demand on account of Transfer fee/upfront rent for change in name	208,354,295	208,354,295
(iii) Additional demand on of Electricity Charges *	5,342,469	-
(iv) Additional Demand on account of Foreclosure	525,000	525,000
b) Guarantee:		
(i) Corporate Guarantee given in favour 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. **	1,081,100,000	1,081,100,000
(ii) Bank Guarantee in favour of Commissioner of Customs, Kandla	375,000	375,000
(iii) Bank Guarantee in favour of Director General of Fire Services, Andhra Pradesh	932,886	932,886
Total	1,333,829,468	1,328,486,999

* Hon'ble High Court of Gujarat has set aside demand of Gujarat Electricity Board; contrarily Gujarat Electricity Board has filed Special Leave Petition in Supreme Court. Order is awaited

** The total outstanding loans as at 31.03.2016 is ₹ 878,435,536 (Previous Year ₹ 790,764,933) against Corporate Guarantee.

27 Capital Work in Progress includes

Particulars	As at 31 st March 2016 (₹)	As at 31 st March 2015 (₹)
Preoperative Expenses		
Rent	5,756,077	5,756,077
Other Miscellaneous Expenses	2,899,672	2,816,921

28 Pursuant to Scheme of Demerger, the Company has requested Kandla Port Trust (KPT) for transfer of leasehold land situated at Kandla in its name which is presently in the name of Kesar Enterprises Ltd. However, KPT has raised a demand of ₹ 208,354,295/- on account of such transfer/ upfront fee for change in the name. The Company has filed a writ petition in High Court of Gujarat, against the demand raised by the KPT. The Company is of the view that the demand raised is likely to be deleted or substantially reduced and hence no provision is required to

**NOTES FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

be made. However, for certain portion of leasehold land, where the lease period is expired, the same is pending for renewal by KPT, although the Company has filed writ petition/application for the renewal of the said lease and is of the view that Lease shall be renewed by KPT. Pending outcome of the writ petition filed in High Court of Gujarat, depreciation on Assets constructed at lease hold land has been charged as per the rates prescribed in Schedule II of the Companies Act 2013.

- 29 The Non Current Investments amounting to ₹ 35,000,000/- (Previous Year ₹ 35,000,000/-) is placed as a security against borrowings.

30 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 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
Present Value of funded obligations	21,125,446	19,605,873
Fair Value of plan assets	18,800,175	18,801,080
Net liability /(Assets)	2,325,271	804,793
Amount in balance sheet Liabilities	2,325,271	804,793

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

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
Current service cost	1,256,699	1,165,342
Interest on obligation	64,384	1,449,360
Expected return on plan assets	(1,504,086)	(1,528,588)
Net actuarial losses (gains) recognized in year	2,755,538	2,724,145
Total included in employee benefit expense	2,572,535	3,810,259

- (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 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
Opening defined benefit obligation	19,605,873	18,117,000
Service costs	1,256,699	1,165,342
Interest costs	1,568,470	1,449,360
Actuarial losses (gains)	(252,634)	2,678,585
Benefits paid	(1,052,961)	(3,804,414)
Closing defined benefit obligation	21,125,446	19,605,873

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- (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 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
Opening fair value of plan assets	18,801,080	18,973,712
Adjustment in funds	-	133,642
Expected return on plan assets	1,504,086	1,528,588
Actuarial gains / (losses)	(1,504,086)	(45,560)
Contributions by employer	1,052,056	2,015,112
Benefits paid	(1,052,961)	(3,804,414)
Closing fair value of plan assets	18,800,175	18,801,080

Plan Assets are invested in Group Gratuity Scheme of Life Insurance Corporation of India.

- (e) Principal actuarial assumptions at the balance sheet date:

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Discount rate	8.00%	8.00%
Salary escalation rate	8.00%	8.00%
Expected return on plan assets	8.00%	8.00%
Attrition rate	1.00%	1.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The expected rate of return on plan assets is based on the expectations of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The estimates of future salary increases are considered taking into account inflation, seniority promotion and other relevant factors.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

Particulars	Defined Benefit (Gratuity) Plan				
	For the year ended 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)	For the year ended 31 st March 2014 (₹)	For the year ended 31 st March 2013 (₹)	For the year ended 31 st March 2012 (₹)
Defined benefit obligation	21,125,446	19,605,873	18,117,000	16,791,621	11,712,000
Plan assets	18,800,175	18,801,080	18,973,712	15,992,069	12,325,501
Surplus/ (deficit)	(2,325,271)	(804,793)	856,712	(799,552)	613,501

(g) Experience Adjustment:

Particulars	Defined Benefit (Gratuity) Plan				
	For the year ended 31 st March 2016(₹)	For the year ended 31 st March 2015(₹)	For the year ended 31 st March 2014(₹)	For the year ended 31 st March 2013(₹)	For the year ended 31 st March 2012(₹)
On plan Liability (Gains)/ Losses	(252,634)	2,678,585	713,341	1,626,947	738,861
On plan Assets Gains/ (Losses)	(1,504,086)	(45,560)	(71,993)	86,700	(30,407)

Defined Contribution Plans

Amount recognized as expense in respect of Compensated Leave Absence is ₹ 2,504,877 (Previous Year ₹ 4,320,081).

Amount recognized as an expense in respect of "Contribution to Provident and other Funds" is ₹ 5,303,774 (Previous Year ₹ 4,972,280)

31. CSR Expenditure:

Particulars	For the year ended 31 st March 2016(₹)	For the year ended 31 st March 2015(₹)
Opening Balance	1,286,046	-
a) Gross Amount required to be spent by the Company during the year	3,390,606	2,673,228
b) Amount spent during the year	-	1,387,182
Balance Yet to be Spent	4,676,652	1,286,046

32. Segment Reporting

The Company is mainly engaged in Liquid Storage Business in India and there is no other reportable business and geographical segment as required by Accounting Standard – 17 "Segment Reporting".

33. Related party disclosures under Accounting Standard 18:

Names of related parties and nature of related party relationships:

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Name of Related Parties

a) Key Management Personnel and their relatives:

Key Management Personnel:

Mr. H R Kilachand	Executive Chairman (upto April 29, 2016)
Mr. Rohan H Kilachand	Executive Director (w.e.f April 29, 2016)
Mrs. M H Kilachand	Promoter Director
Mr. S G Khare	Chief Executive Officer
Mr. V J Doshi	Chief Financial Officer
Mr. B A Shah	Company Secretary (upto January 05, 2016)

Relatives of Key Management Personnel:

Mrs. Nidhi R Kilachand	Wife of Executive Director
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
Seel Investment Pvt. Ltd.
Duracell Investments & Finance Pvt. Ltd. (merged with Seel Investment Pvt. Ltd. W.e.f 8.5.2015)

a) Subsidiary Company: Kesar Multimodal Logistics Limited

Disclosure of transactions with related parties and the status of outstanding balance as on 31st March, 2016:

Particulars	Kesar Enterprises Limited (₹)	Kesar Multimodal Logistics Ltd (₹)	H R Kilachand (₹)	M H Kilachand (₹)	Rohan H Kilachand (₹)	Indian Commercial Co. Pvt. Ltd. (₹)
(a) Transactions						
Sharing of Common Expenses	15,687,875 (14,644,271)					
Assets received	7,500 (4,243,807)					
Managerial Remuneration			7,056,080 (7,189,934)			
Director Fees/ Commission				320,000 (320,000)		

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Kesar Enterprises Limited (₹)	Kesar Multimodal Logistics Ltd (₹)	H R Kilachand (₹)	M H Kilachand (₹)	Rohan H Kilachand (₹)	Indian Commercial Co. Pvt. Ltd. (₹)
Salary paid					1,533,124 (973,521)	
Repayment of Security Deposit						- (1,200,000)
Long term loans and advances		69,702,369 (84,975,000)				
Interest on term loans		- (802,923)				
Investment in Equity Share Capital		96,400,000 (-)				
Investment in Preference Share Capital		- (160,000,000)				
(b) Balance outstanding						
Payable for Expenses Short term	1,466,886 (-)					
Managerial Remuneration			5,118,500 (3,500,000)			
Director Fees/ Commission				200,000 (200,000)		
Salary					93,806 (-)	
Long term loans & Advances		155,400,000 (84,975,000)				
Interest on term loans		- (722,631)				
Investments in Equity Share Capital		417,750,000 (417,750,000)				
Investments in Preference Share Capital		96,400,000 (-)				
Corporate Guarantee		1,081,100,000 (1,081,100,000)				

(Figures in brackets represents previous year)

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Payment to Key Managerial Personnel:

Particulars	V J Doshi (CFO) (₹)	S G Khare (CEO) (₹)	B A Shah (CS) upto 5.1.2016(₹)
(a) Transactions	6,796,284	6,598,771	879,643
Remuneration	(6,593,100)	(5,436,672)	(1,023,816)
(b) Balance outstanding	337,873	309,113	-
Remuneration	(-)	(-)	(-)

Dividend Paid to Key Management Personnel and their relatives, Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence:

Name	During the Year 2015-16 (₹)	During the Year 2014-15 (₹)
Harsh R Kilachand	1,363,051	1,168,329
Shreemati Ambalal Kilachand (Late)	21,256	18,219
Madhavi Harsh Kilachand	510,510	437,580
Rohan Harsh Kilachand	463,250	397,071
Rohita Harsh Kilachand	460,166	394,428
Harsh Rajnikant Kilachand (HUF)	67,190	57,591
Rajnikant A Kilachand (Late)	177,713	152,325
Indian Commercial Co. Pvt. Ltd.	569,044	487,752
Seel Investment Pvt. Ltd.	187,373	160,605
Indian Carat Pvt Ltd	24,871	21,318
Kesar Corporation Pvt Ltd	5,072,375	4,347,750
Kesar Enterprises Ltd	1,750,000	1,500,000
Duracell Investments & Finance Pvt Ltd (merged with Seel Investment Pvt. Ltd. w.e.f 08.05.2015)	-	300,720

- 34 Loans and advances in the nature of loans given to Subsidiary Company/Guarantees given on behalf of Subsidiary in accordance with schedule V of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015 & Section 186 of the Companies Act, 2013.

Name of Entity: Kesar Multimodal Logistics Ltd.

Particulars	For the year ended 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
Loan outstanding	155,400,000	84,975,000
Maximum amount Outstanding	155,400,000	84,975,000
Terms of Repayments & Repayment Schedule	Payable on demand after 01 st April, 2017	Payable on demand after 01 st April, 2016

**NOTES FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	For the year ended 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
Purpose	Payment to contractor & administrative expenses	Payment to contractor & administrative expenses
Corporate Guarantee *	1,081,100,000	1,081,100,000
Purpose	Payment to contractor & administrative expenses	Payment to contractor & administrative expenses
Investment in Equity Shares	417,750,000	417,750,000
Investment in Preference Shares	96,400,000	-

* The total outstanding loans of Lenders as at 31.03.2016 is ₹ 878,435,536 (Previous Year ₹ 790,764,933) against Corporate Guarantee.

35 Supplementary statutory information

Particulars	For the year ended 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
(a) Expenditure in foreign currency (Foreign Travelling & Business Promotion Expenses)	2,080,406	345,398
(b) Earnings in foreign currency	-	-

- 36** Disclosure of amounts payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts/ interest payable for delayed payments to such vendors as at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

37 Earnings per Share (EPS):

Particulars	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Basic & Diluted EPS:		
a) Net profit attributable to Equity Shareholders (₹)	155,398,336	145,059,126
b) Weighted average number of Equity Shares Outstanding (Nos.)	5,253,113	5,253,113
Basic & Diluted EPS (₹)	29.58	27.61
Face Value per Share (₹)	10	10

- 38** 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 ₹ 15,687,875 (Previous Year ₹ 14,644,271). Addition to fixed assets includes ₹ 7,500 (Previous Year ₹ 4,243,807) (net of depreciation), transferred from Kesar Enterprises Ltd.

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- 39 The Company carries excess income tax provision amounting to ₹ 39,241,247 (Previous Year ₹ 26,699,860) pending assessments.
- 40 The Company has received order dated March 25, 2016 under Section 143(3) of the Income Tax Act, 1961, raising a demand of Rs. 39,607,430. While raising a demand the Assessing Officer has erroneously not given the credit for Advance Tax and Self Assessment Tax of Rs. 26,650,000 and Rs. 5,000,000 respectively. The Company has filed application on 4th April, 2016 for the rectification under Section 154 of the Income Tax Act, 1961. Upon giving effect to the said application the demand raised by Income Tax Department shall stand deleted and refund is due to the Company.
- 41 Derivative instruments and unhedged foreign currency exposure Nil (previous year Nil)
- 42 The previous year figures have been regrouped and reclassified wherever necessary to correspond with the current year classification/disclosure.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI FRN NO.103523W

Atul Gala

Partner

Membership No. 048650

Place: Mumbai

Date: 30th May, 2016

For and on behalf of the Board of Directors

A S Ruia

Chairman

DIN 00296622

V J Doshi

Chief Financial Officer

R H Kilachand

Executive Director

DIN 07241625

Dilip Maharana

Company Secretary

Place: Mumbai

Date: 30th May, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Kesar Terminals & Infrastructure Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Kesar Terminals & Infrastructure Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 auditor's 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 financial control relevant to the Holding Company's preparation 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 the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at March 31, 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflects total assets of ₹ 1,665,550,261 as at March 31, 2016, total revenues of ₹ Nil and net cash outflows amounting to ₹ 31,013,606 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the

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consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group companies, is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 27 to the consolidated financial statements;
 - (ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W
Atul Gala
Partner
Membership No. 048650

Place: Mumbai

Date : May 30, 2016

KESAR TERMINALS & INFRASTRUCTURE LIMITED

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kesar Terminals & Infrastructure Limited on the consolidated financial statements for the year ended March 31, 2016]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016. We have audited the internal financial controls over financial reporting of the Group, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary company, is based solely on the reports of the other Auditor.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W
Atul Gala
Partner
Membership No.048650
Place: Mumbai
Date : May 30, 2016

KESAR TERMINALS & INFRASTRUCTURE LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

				(in ₹)
	Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	3	52,531,130	52,531,130
	(b) Reserves and Surplus	4	658,844,570	509,768,760
2	Minority Interest		250,000	250,000
3	Non-current liabilities			
	(a) Long Term Borrowings	5	832,845,658	885,954,179
	(b) Deferred tax liabilities (Net)	6	32,361,490	32,525,327
	(c) Other Long Term Liabilities	7	-	310,000
	(d) Long Term Provisions	8	6,144,624	6,650,119
4	Current liabilities			
	(a) Trade payables	9	25,093,949	13,884,224
	(b) Other Current Liabilities	10	369,055,083	230,535,758
	(c) Short Term Provisions	11	70,218,394	53,833,852
	TOTAL		2,047,344,898	1,786,243,349
II.	ASSETS			
1	Non-current assets			
	(a) Fixed Assets	12		
	(i) Tangible Assets		299,511,854	318,497,736
	(ii) Intangible Assets		666,692	1,353,768
	(iii) Capital Work in Progress		1,657,471,394	1,350,948,082
	(b) Non Current Investments	13	5,000	5,000
	(c) Long Term Loans and Advances	14	13,938,837	13,369,570
	(d) Other Non- Current Assets	15	12,860,410	4,452,672
2	Current assets			
	(a) Inventories	16	1,022,806	893,057
	(b) Trade Receivables	17	43,507,866	39,509,390
	(c) Cash and Bank Balances	18	14,004,961	51,803,973
	(d) Short Term Loans and Advances	19	3,712,630	2,955,265
	(e) Other Current Assets	20	642,446	2,454,836
	TOTAL		2,047,344,898	1,786,243,349
	Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI FRN NO.103523W

Atul Gala

Partner

Membership No. 048650

For and on behalf of the Board of Directors

A S Ruia

Chairman

DIN 00296622

R H Kilachand

Executive Director

DIN 07241625

V J Doshi

Chief Financial Officer

Dilip Maharana

Company Secretary

Place: Mumbai

Date: 30th May, 2016

Place: Mumbai

Date: 30th May, 2016

Annual Report 2015-2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

		(in ₹)	
Particulars	Note No.	For the year ended on 31st March, 2016	For the year ended on 31st March, 2015
I. Revenue From Operations	21	439,682,814	422,361,173
II. Other Income	22	4,924,946	2,329,159
III. Total Revenue (I + II)		444,607,760	424,690,332
IV. Expenses:			
Employee benefits expense	23	79,792,313	77,546,851
Finance Cost	24	27,557,290	23,967,717
Depreciation and amortization expense	12	19,443,733	22,707,706
Other expenses	25	96,261,407	89,949,039
Total Expenses		223,054,743	214,171,313
V. Profit before tax (III-IV)		221,553,017	210,519,019
VI Tax Expense:			
(a) Current tax [including prior year tax provision written back ₹ 9,801,482 (Previous year ₹ 7,175,074)]		66,318,518	64,524,926
(b) Deferred tax		(163,837)	934,967
VII Profit (Loss) for the period (V-VI)		155,398,336	145,059,126
VIII Basic & Diluted Earnings per equity share		29.58	27.61
[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 attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI FRN NO.103523W

Atul Gala

Partner

Membership No. 048650

For and on behalf of the Board of Directors

A S Ruia

Chairman

DIN 00296622

R H Kilachand

Executive Director

DIN 07241625

V J Doshi

Chief Financial Officer

Dilip Maharana

Company Secretary

Place: Mumbai

Date: 30th May, 2016

Place: Mumbai

Date: 30th May, 2016

KESAR TERMINALS & INFRASTRUCTURE LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	221,553,017	210,519,019
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	19,443,733	22,707,706
Dividend Income	(500)	(500)
Interest Income	(1,105,821)	(2,042,781)
Interest and Finance Charges	27,557,290	23,967,717
Loss/ (Profit) on sale of Fixed Assets	(4,667)	437,458
Credit Balances Written Back	(19,838)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	267,423,214	255,588,619
Movements in working capital:		
Decrease / (Increase) in Inventories	(129,753)	313,007
Decrease / (Increase) in Trade Receivables	(3,998,476)	(745,646)
Decrease / (Increase) in Short term Loans & Advances	108,316	1,899,661
Decrease / (Increase) in Long term Loans & Advances	(38,612)	1,224,949
Decrease / (Increase) in Other current assets	1,736,635	(903,179)
Decrease / (Increase) in Other non current assets	(867,189)	(1,283,219)
Increase / (Decrease) in Trade Payables	11,666,561	10,991,983
Increase / (Decrease) in Other Current Liabilities	10,476,757	(3,935,697)
Increase / (Decrease) in Short term Provisions (Employee benefits)	2,090,995	374,130
Increase / (Decrease) in Long term Provisions	934,615	2,902,782
CASH GENERATED FROM OPERATIONS	289,403,063	266,427,390
Taxes (Paid)/ Refunds	(41,133,395)	(62,464,430)
NET CASH GENERATED FROM OPERATING ACTIVITIES	248,269,668	203,962,960
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets including Intangible Assets & CWIP	(204,287,323)	(611,592,738)
Sale of Fixed Assets	307,001	-
(Increase)/Decrease in other Non current assets	(7,001,779)	7,999,800
(Increase)/Decrease in other current assets	64,418	(1,747,783)
(Increase)/Decrease in short term loans & advances	(825,771)	(287,803)
Increase/(Decrease) in other Long Term liabilities	(310,000)	310,000
Increase/(Decrease) in long term Loans & advances	(530,655)	56,181,622
Increase/(Decrease) in long term Provisions	(318,568)	229,737
Increase/(Decrease) in other current liabilities	27,838,608	103,325,950
Increase/(Decrease) in short term provisions	50,252	17,910
Interest Received	3,011,632	2,707,883
Dividend Received	500	500
NET CASH (USED IN) INVESTING ACTIVITIES	(182,001,685)	(442,854,922)

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	(in ₹)	
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Borrowings	(90,640,288)	(115,178,954)
Proceeds from Borrowings	136,847,972	491,821,701
Dividends Paid	(18,108,536)	(7,806,210)
Interest Paid	(132,465,599)	(102,353,001)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	(104,366,451)	266,483,536
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(38,098,468)	27,591,574
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	49,478,190	21,886,616
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11,379,722	49,478,190
COMPONENT CASH AND CASH EQUIVALENTS - {refer note no 18 (A)}		
Cash on Hand	460,966	451,568
With Bank on Current Account	8,272,641	39,636,634
on Deposit Account	1,400,000	8,421,233
unclaimed Dividend Account *	1,246,115	968,755
TOTAL CASH AND CASH EQUIVALENTS	11,379,722	49,478,190

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

Note : Figures in brackets are outflows

Since the Subsidiary is yet to commence its operations, all assets and liabilities relates to pre-operative expenditure. Accordingly, changes in respective assets and liabilities amounting to ₹ 180,467,413 (Previous Year ₹ 425,426,048) have been shown as cash used in investing activities."

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI FRN NO.103523W

Atul Gala

Partner

Membership No. 048650

For and on behalf of the Board of Directors

A S Ruia

Chairman

DIN 00296622

R H Kilachand

Executive Director

DIN 07241625

V J Doshi

Chief Financial Officer

Dilip Maharana

Company Secretary

Place: Mumbai

Date: 30th May, 2016

Place: Mumbai

Date: 30th May, 2016

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016****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, 47,53,113 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.

The Company is mainly engaged in the business of renting of liquid storage tanks at Kandla and is in process of commencing its operation at Pipavav and Kakinada Port.

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 are prepared on the following basis :

- A. The financial statements of the Company and it's subsidiary are combined on line-by-line basis by adding together the book values of like items of assets, liabilities after fully eliminating material intra group balances and intra group transactions and resulting unrealized profit or losses on the group transactions as per Accounting Standard 21 – Consolidated Financial Statements specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounting) Rules, 2014.
- 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	99.94%

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

2 Significant Accounting Policies**A. Basis of preparation**

The Consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014 the relevant provisions of the Companies Act 2013 as applicable, and guidelines issued by The Securities Exchange Board of India (SEBI) as applicable. The financial statements have been prepared and presented under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company with those of the previous year in accordance with Generally Accepted Accounting Principles in India.

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgments, 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 the management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

C. Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefit will flow to the Company and revenue can be reliably measured.

Income from services is generally recognised (net of service tax as applicable) 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.

Dividend income is accounted for when the right to receive the income is established.

D. Fixed Assets

- a) Fixed Assets (whether Tangible or Intangible) except Freehold Land are stated at cost of acquisition less accumulated depreciation/ amortization/ impairment loss (if any), net of CENVAT (wherever claimed). The cost of fixed assets includes taxes, duties, freight, borrowing cost, if capitalization criteria are met and other incidental expenses incurred in relation to their acquisition/ bringing the assets for their intended use.
- b) Freehold Lands are stated at cost of acquisition.
- c) Subsequent additional expenditure related to fixed assets are added only if they increase the future economic benefits from the existing assets beyond its previously assessed standard of performance.

E. Impairment of Assets

The carrying amounts 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. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired. Impairment loss recognised in prior years is reversed when there is indication that an Impairment loss recognised for an asset no longer exists or has decreased.

F. Depreciation

- a) Leasehold Land and Premium on Leasehold Land is amortised over the period of lease.
- b) Depreciation on Plant and Machinery has been provided on Straight Line Method based on remaining useful lives of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- c) For all other assets, depreciation has been provided on Written Down Value Method based on remaining useful lives of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- d) 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.
- e) Depreciation on assets, whose actual cost do not exceed ₹ 5,000 is provided for at the rate of hundred percent.
- f) Intangible assets are amortized over their respective individual estimated useful lives on a Straight-line basis, commencing from the date of asset is available to the Company for its use

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016****G Capital Work-in-Progress**

Expenditure during the construction/ pre-operative period is included under Capital Work-in-Progress and the same is allocated to the respective fixed assets on the completion of their construction.

H. Pre-operative expenditure and Income

These are stated at cost to date relating to project in progress, incurred during construction / pre-operative period. The expenditure incurred prior to commencement of operations are classified as 'Other Pre-operative Admin Expenditure' and income earned are classified as 'Pre-operative Income' and will be capitalized on the completion of the Project.

I. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term/non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term 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 long term investments.

J. Inventories

Stores and Spares are valued at lower of cost or net realizable value. Cost is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

K. 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.

L. Retirement and other employee benefits

- i. Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contribution is charged to the Statement of Profit and Loss in the year when the contributions to the respective fund is 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.
- 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, at the end of each financial year.
- iii. Compensated absences are provided for based on actuarial valuation on projected unit credit method.
- iv. Obligation is measured at the present value of the future cash flows using a discount rate that is based on the prevailing yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- v. 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".
- vi. Other short term employee benefits are recognized as an expense on accrual basis.

M. Foreign Exchange Transactions

Transactions in foreign currencies are accounted at the initially recorded 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 premium or discount being the differences between the forward exchange rate and the exchange rate at the inception of the contract is recognized as expense or income over the life of the contract. The exchange difference either on settlement or translation is recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are reported using the exchange rate prevalent at the date of transaction.

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

N. 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 timing differences between taxable income and accounting income during the current year and reversal of timing differences of earlier years.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are measured using the tax rates and laws enacted / substantively enacted at the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty, except for carried forward losses and unabsorbed depreciation which is recognized based on virtual certainty supported by convincing evidence, that the assets will be realized in future against future taxable profits.

Carrying amount of 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 realized against future taxable income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax asset and deferred tax liability relate to same taxable entity and the same taxation authority.

O. Earnings Per Share

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

P. 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.

Q. Contingent Liabilities & Contingent Assets

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.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are neither recognized nor disclosed, in the financial statements.

R. Leases (where the company is a lessee)

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".

S. Cash and cash equivalents

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

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

3. SHARE CAPITAL

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	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 the beginning and at the 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	-	-	-	-
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

(i) 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, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their holdings.

(ii) During the year ended 31st March 2016, the amount of per equity share Final dividend recognised ₹ 1.00 (31st March 2015: final dividend of ₹3.50).

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

PARTICULARS	As at 31st March, 2016		As at 31st March, 2015	
	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	500,000	9.52%	499,994	9.52%
M H Kilachand	307,860	5.86%	145,860	2.78%

(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 is NIL.

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

4. RESERVES & SURPLUS

		(in ₹)	
	Particulars	As at 31st March, 2016	As at 31st March, 2015
(a)	General Reserve		
	Opening Balance	249,600,000	199,600,000
	(+) Current Year Transfer	50,000,000	50,000,000
	Closing Balance	299,600,000	249,600,000
(b)	Surplus i.e. Balance in Statement of Profit & Loss		
	Opening balance	260,168,760	188,682,119
	(-) Depreciation (new Companies Act 2013) (Net of deferred tax)	-	1,443,645
	(+) Net Profit For the current year	155,398,336	145,059,126
	(-) Proposed Final Dividend {refer note no 3(b) (ii)}	5,253,113	18,385,896
	(-) Dividend Distribution Tax	1,069,413	3,742,944
	(-) Transfer to Reserves	50,000,000	50,000,000
	Closing Balance	359,244,570	260,168,760
	Total	658,844,570	509,768,760

5. LONG TERM BORROWINGS

(a) Secured Borrowings

(i) Term loans From Banks

(1)	Corporate Loan	37,500,000	112,500,000
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Tranch I

Secured by exclusive charge on all tanks, movable Fixed Assets and Current Assets both present and future at Kandla. (Terminal I & II)

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.

Tranch II

45,316,667	-
------------	---

Secured by exclusive charge on all tanks, movable Fixed Assets and Current Assets both present and future at Kandla. (Terminal I & II)

Terms of Repayments:- Repayable from Nov'2016 in 48 Equal Monthly Installments. Interest is payable at Base Rate of Lender Bank Plus 2.50% p.a. with monthly rest.

(2)	Project Loan	745,271,197	754,488,733
-----	---------------------	-------------	-------------

(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 Parent Company)

(Rate of Interest is in the range of 10.50 % to 13.25% p.a.{Previous year 11.00% to 13.25% p.a.})

Term Loans are repayable in 16 to 28 quarterly equal installment starting after the moratorium period ranging from two to three years from the date of first disbursement of the respective loans.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

		(in ₹)	
	Particulars	As at 31st March, 2016	As at 31st March, 2015
(ii)	From others (various Finance Companies)		
	Vehicle Loans	1,687,500	2,847,036
	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	829,775,364	869,835,769
	[Out of total Secured Borrowings of ₹ 1,043,670,815 (Previous Year ₹ 982,515,727) borrowings of ₹ 213,895,451 (Previous year ₹ 112,679,958) having Current Maturities, have been disclosed in Note No.10]		
(b)	Unsecured Borrowings		
(i)	Loans from Customers	3,070,294	9,230,410
	Terms of Repayments:- Repayable in 60 Equated Monthly Installments from the date tanks are put to use and carrying simple interest @ 13% p.a.		
(ii)	Fixed Deposits from Public	-	6,888,000
	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	3,070,294	16,118,410
	[Out of total Unsecured Borrowings ₹ 17,760,439 (previous year ₹ 31,985,212), borrowings of ₹ 14,690,145 (previous year ₹ 15,866,802) having Current Maturities, have been disclosed in Note No.10]		
	Total	832,845,658	885,954,179
6. DEFERRED TAX LIABILITIES (NET)			
(a)	Deferred Tax Liability		
	Impact of difference between Tax Depreciation & Depreciation / Amortisation charged as per Compaiaes Act.	35,372,888	34,326,358
(b)	Deferred Tax Assets		
	Disallowances under Section 43B of Income tax Act for Employee Benefits	3,011,398	1,801,031
	Net Deferred Tax Liability (a-b)	32,361,490	32,525,327

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

7. OTHER LONG TERM LIABILITIES

		(in ₹)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Others		
Security Deposits from Lessee (Interest Free)	-	310,000
Total	-	310,000

8. LONG TERM PROVISIONS

Provision for employee benefits

(a) Gratuity Provision (unfunded)	99,670	265,508
(b) Leave Encashment (unfunded)	6,044,954	6,384,611
Total	6,144,624	6,650,119

9. TRADE PAYABLES

Total outstanding Dues to Micro and Small Enterprises (refer note no. 35)	-	-
Total outstanding Dues of Creditors other than Micro and Small Enterprises	25,093,949	13,884,224
Total	25,093,949	13,884,224

10. OTHER CURRENT LIABILITIES

(a) Current maturities of long-term debt		
(i) Current maturities of long-term debt - secured borrowings (refer note no. 5)	213,895,451	112,679,958
(ii) Current maturities of long-term debt - unsecured borrowings (refer note no. 5)	14,690,145	15,866,802
(b) Interest accrued but not due on borrowings	3,581,257	6,138,584
(c) Advance from Customer	1,055,466	289,386
(d) Unclaimed dividends	1,246,115	968,755
(e) Payable to Related Party	6,585,387	-
(f) Payables -(For other contractual obligations)	8,624,634	5,585,419
(g) Payables -(For Capital Goods)	110,073,850	84,237,015
(h) Outstanding Liabilities for expenses	2,408,175	2,237,701
(i) Statutory Dues	6,584,603	2,532,138
(j) Security Deposit from Lessee (Interest Free)	310,000	-
Total	369,055,083	230,535,758

11. SHORT TERM PROVISIONS

(a) Provision for employee benefits

(i) Gratuity (Funded)	2,325,271	804,793
(ii) Gratuity (Unfunded)	157	1,320
(iii) Leave Encashment (Unfunded)	2,234,701	491,227

(b) Others

(i) Provision for Income Tax	59,335,739	30,407,672
[Net of Advance Income Tax of ₹ 142,719,605 (Previous Year ₹ 144,512,328)]		
(ii) Proposed Final Dividend	5,253,113	18,385,896
(iii) Dividend Distribution Tax	1,069,413	3,742,944
Total	70,218,394	53,833,852

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

12. FIXED ASSETS

In ₹

Particulars	Gross Block			Accumulated Depreciation			Net Block
	Balance as at 1st April 2015	Additions	Disposals	Balance as at 1st April 2015	Depreciation / amortization charge for the year	On disposals	Balance as at 31st March 2016
(a) Tangible Assets							
(i) Land							
(1) Free Hold Land	49,831,576	-	-	-	-	-	49,831,576
(2) Lease Hold Land	1,826,902	-	-	1,730,531	60,779	-	35,592
(3) Lease Hold Land Premium	567,000	-	-	537,105	18,878	-	11,017
Total	52,225,478	-	-	2,267,636	79,657	-	49,878,185
(ii) Buildings	54,762,099	-	-	29,484,334	3,652,842	-	21,624,923
(iii) Plant and Equipment	495,552,362	2,144,030	5,850	266,349,314	14,519,215	5,558	216,827,570
(iv) Furniture and Fixtures	6,964,749	278,902	-	4,052,245	848,221	-	2,343,185
(v) Office Equipments	7,627,603	2,319,364	72,007	4,924,256	1,608,696	61,434	3,403,442
(vi) Vehicles	18,463,596	-	2,240,459	10,020,366	2,715,124	1,946,902	5,434,549
Total	635,595,887	4,742,296	2,318,316	317,098,151	23,423,755	2,013,893	299,511,854
(b) Intangible Assets							
Computer software	3,113,945	192,143	-	1,760,177	879,219	-	666,692
Total	3,113,945	192,143	-	1,760,177	879,219	-	666,692
Total (a+b)	638,709,832	4,934,439	2,318,316	318,858,328	24,302,974	2,013,893	300,178,546
(c) Capital Work In Progress (Refer Note No 28)	1,350,948,084	306,523,310	-	-	-	-	1,657,471,394
Total (a+b+c)	1,989,657,916	311,457,749	2,318,316	318,858,328	24,302,974	2,013,893	1,957,649,940

Note 1 : Depreciation / amortization charge for the year includes Depreciation of Kesar Multimodal Logistics Ltd amounting to ₹ 4,859,241/- (Previous year ₹ 1,327,835/-) which is capitalised as "pre-operative expenditure pending for capitalisation" and included in Capital Work in Progress

Note 2 : Capital Work in Progress includes ₹ 1,631,188,160/- (previous year ₹ 1,324,747,599/-), 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(in ₹)

12 FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation				Net Block
	Balance as at 1st April 2014	Additions	Disposals	Balance as at 31st March 2015	Balance as at 1st April 2014	Write off revised Companies Act 2013	Depreciation / amortization charge for the year	Balance as at 31st March 2015
(a) Tangible Assets								
(i) Land								
(1) Free Hold Land	42,113,796	7,717,780	-	49,831,576	-	-	-	49,831,576
(2) Lease Hold Land	1,826,902	-	-	1,826,902	1,669,752	-	60,779	96,371
(3) Lease Hold Land Premium	567,000	-	-	567,000	518,227	-	18,878	29,895
Total	44,507,698	7,717,780	-	52,225,478	2,187,979		79,657	49,957,842
(ii) Buildings (on Leased Land)	54,762,099	-	-	54,762,099	24,124,672	151,835	5,207,827	25,277,765
(iii) Plant and Equipment	470,493,742	26,555,647	1,497,028	495,552,362	253,306,312	2,035,174	12,067,398	229,203,048
(iv) Furniture and Fixtures	6,833,499	131,250	-	6,964,749	2,898,888	-	1,153,357	2,912,504
(v) Office Equipments	5,942,478	1,685,125	-	7,627,603	3,434,934	-	1,489,323	2,703,347
(vi) Vehicles	13,855,363	4,608,233	-	18,463,596	6,629,651	-	3,390,714	8,443,230
Total (a)	596,394,879	40,698,035	1,497,028	635,595,887	292,582,436	2,187,009	23,388,276	318,497,736
(b) Intangible Assets								
Computer software	1,474,528	1,639,417	-	3,113,945	1,112,912	-	647,265	1,353,768
Total (b)	1,474,528	1,639,417	-	3,113,945	1,112,912	-	647,265	1,353,768
Total (a+b)	597,869,407	42,337,452	1,497,028	638,709,832	293,695,348	2,187,009	24,035,541	319,851,504
(c) Capital Work In Progress	701,984,753	657,418,095	8,454,766	1,350,948,082	-	-	-	1,350,948,082
Total (a+b+c)	1,299,854,160	699,755,547	9,951,794	1,989,657,914	293,695,348	2,187,009	24,035,541	1,670,799,586

Note 1 : Depreciation / amortization charge for the year includes Depreciation of Kesar Multimodal Logistics Ltd amounting to ₹ 1,327,835/- (Previous year ₹ 81,742/-) which is capitalised as "pre-operative expenditure pending for capitalisation" and included in Capital Work in Progress

Note 2 : Capital Work in Progress includes ₹ 1,324,747,599/- (previous year ₹ 667,334,472/-), 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, 2016

13. NON CURRENT-INVESTMENTS

(in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Other Investments (valued at cost unless stated otherwise)		
Investments in Equity Instruments - (Unquoted)	5,000	5,000
200 Shares of ₹ 25 each fully paid in Jain Sahakari Bank Ltd (Prevoius year 200 Shares of ₹ 25 each)		
[Aggregate amount of Unquoted Investments is ₹ 5,000 (Previous Year ₹ 5,000)]		
Total	5,000	5,000

14. LONG TERM LOANS AND ADVANCES

Unsecured, Considered good

(a) Capital Advances	530,655	-
(b) Security Deposits	13,376,412	13,299,109
(c) Loans and Advances to Employees	31,770	70,461
Total	13,938,837	13,369,570

15. OTHER NON-CURRENT ASSETS

Unsecured, Considered good

(a) Fixed Deposits with maturity of more than 12 months (Under Lien / Security with various Banks)	12,239,869	4,372,680
(b) Interest accrued on Bank Deposits & NSC	615,787	10,476
(c) Interest accrued on staff loan	4,754	69,516
Total	12,860,410	4,452,672

16. INVENTORIES

Stores and spares

(Valued at Lower of Cost and Net Realisable Value)	1,022,806	893,057
Total	1,022,806	893,057

17. TRADE RECEIVABLES

Unsecured, Considered good

(a) Outstanding for a period exceeding six months from the date they are due for payment	32,973	-
(b) Others	43,474,893	39,509,390
Total	43,507,866	39,509,390

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

18. CASH AND BANK BALANCES

(in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
A. Cash and Cash Equivalents		
(a) Balance with Banks		
(i) on Current Accounts	8,272,641	39,636,634
(ii) on unclaimed Dividend Accounts	1,246,115	968,755
(iii) on Fixed Deposits Accounts with original maturity of less than 3 months	1,400,000	8,421,233
(b) Cash on hand	460,966	451,568
B. Other Bank Balances		
Fixed Deposits with original maturity of more than 3 months but less than 12 months	2,625,239	2,325,783
Total	14,004,961	51,803,973

19. SHORT TERM LOANS AND ADVANCES

Unsecured, Considered good

Others

(a) Prepaid expenses	1,375,546	1,396,206
(b) Service Tax Receivable	1,222,325	1,005,380
(c) Loans and Advances to Employees	256,494	187,489
(d) Other advances recoverable in cash or kind	858,265	366,190
Total	3,712,630	2,955,265

20. OTHER CURRENT ASSETS

Unsecured , Considered Good

(a) Interest accrued on staff loans	64,762	118,384
(b) Interest accrued on Bank Fixed Deposits	442,653	2,109,036
(c) Other Receivable	135,031	227,416
Total	642,446	2,454,836

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

21. REVENUE FROM OPERATIONS

(in ₹)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) Sale of Services	439,087,752	421,408,847
(Income from providing storage tanks on hire/rental basis for liquid cargo and other related services)		
(b) Other operating revenue (Handling charges)	595,062	952,326
Total	439,682,814	422,361,173

22. OTHER INCOME

(a) Interest on		
(i) Fixed Deposits	1,008,458	1,132,742
(ii) Others	97,363	910,039
(b) Dividend Income	500	500
(c) Credit Balance Written Back	19,838	-
(d) Sale of Scrap	3,572,407	-
(e) Profit on Sale of Assets	4,667	-
(f) Miscellaneous Receipts	221,713	285,878
Total	4,924,946	2,329,159

23. EMPLOYEE BENEFIT EXPENSE

(a) Salaries and Wages	69,916,272	67,297,709
(b) Contribution to P.F. Fund	5,303,774	4,972,280
(c) Contribution to Gratuity Fund	2,572,535	3,810,259
(d) Staff Welfare	1,999,732	1,466,603
Total	79,792,313	77,546,851

24. FINANCE COST

(a) Interest Expense	25,805,803	23,403,670
(b) Other Borrowing Costs		
(i) Finance Charges	63,236	13,853
(ii) Others including Bank Charges	1,688,251	550,194
Total	27,557,290	23,967,717

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

25. OTHER EXPENSES

	(in ₹)	
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) Storage & Handling Charges	5,621,936	5,498,562
(b) Power & Fuel	9,201,992	9,040,129
(c) Rent	11,956,589	11,235,698
(d) Repairs		
(i) Plant & Machinery	35,017,751	31,102,544
(ii) Buildings	-	11,450
(iii) Others	2,099,090	3,044,269
(e) Insurance	1,449,069	1,303,323
(f) Rates & Taxes	742,640	1,730,923
(g) Selling agent Commission & Brokerage	775,427	1,758,146
(h) Legal & Professional Fees	2,777,196	3,095,490
(i) Directors Sitting Fees	1,840,000	1,180,000
(j) Commission to Directors	-	1,000,000
(k) Auditors Remuneration		
(i) Audit Fees	335,000	335,000
(ii) For Certification	165,000	190,000
(iii) Out Of Pocket Expenses	10,455	7,865
(l) Loss on Sale of Assets / Assets Discarded	-	437,458
(m) Travelling Expenses	7,988,455	5,756,738
(n) CSR Expenditure u/s 135 of Companies Act, 2013 (refer note no 31)	-	1,387,182
(o) Miscellaneous Expenses	16,280,807	11,834,262
Total	96,261,407	89,949,039

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

26 CAPITAL AND OTHER COMMITMENTS

Particulars	As at 31 st March 2016 (₹)	As at 31 st March 2015(₹)
Estimated amount of contracts remaining to be executed on capital account and not provided for	171,131,436	255,598,766
Other contracts	1,250,000	300,000

27 CONTINGENT LIABILITIES

Particulars	As at 31 st March 2016 (₹)	As at 31 st March 2015(₹)
(a) Claims against the Company not acknowledged as debts:		
i) Additional demand of Electricity Charges under dispute *	5,342,469	Nil
ii) Additional Demand on account of Foreclosure	525,000	525,000
lii) Additional demand on account of revision in rates of Lease Rent	37,199,818	37,199,818
iv) Additional demand on account of Transfer fee/upfront rent for change in name	208,354,295	208,354,295
(b) Guarantee:		
(i) ** Corporate Guarantee given in favour 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.	1,081,100,000	1,081,100,000
(ii) Bank Guarantee in favour of Commissioner of Customs, Kandla	3,75,000	375,000
(iii) Bank Guarantee in favour of Director General of Fire Services, Andhra Pradesh	932,886	932,886
(iv) 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	70,000,000
(v) Bank Guarantee given to Principal Commissioner of Customs & Cental Excise, Bhopal	5,000,000	-
(vi) Bank Guarantee Given to Commissioner, Food Civil Supplies & Consumer Protection, Bhopal	8,134,600	-
Total	1,416,964,068	1,398,486,999

* Hon'ble High Court of Gujarat has set aside demand of Gujarat Electricity Board; contrarily Gujarat Electricity Board has filed Special Leave Petition in Supreme Court. Order is awaited

** The total outstanding loans as at 31st March, 2016 is ₹ 878,435,536/- (Previous year ₹ 790,764,933/-) against Corporate Guarantee.

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

28 Capital Work in Progress includes

Particulars	As at 31 st March 2016 (₹)	As at 31 st March 2015(₹)
Preoperative Expenses & Income		
Rent	5,756,077	5,756,077
Employee Cost	26,376,779	18,913,973
Interest on Term Loan	226,145,665	123,794,684
Loan Processing Fees & Other charges	17,514,185	16,074,860
Directors' Sitting fees	1,243,036	895,620
Audit Fees	450,000	300,000
Auditor's Fees – Certification	6,890	6,890
Auditor's Out of pocket expenses	44,693	42,243
Legal & Professional Fees	5,351,267	1,834,537
Communication Expenses	586,961	245,336
Travelling & Conveyance	7,072,361	5,061,557
Electricity Charges	2,836,859	449,055
Security Charges	1,238,309	149,941
Rates & Taxes	509,316	8,580
other preoperative expenses	12,798,102	13,860,223
Depreciation	6,313,944	1,454,703
Preoperative Income		
Interest on Fixed Deposit received	(3,093,511)	(2,368,935)
Cold Storage Rent Income	(242,331)	-
Warehouse Rent Income	(3,324,352)	(1,165,262)

- 29 Pursuant to Scheme of Demerger, the Company has requested Kandla Port Trust (KPT) for transfer of leasehold land situated at Kandla in its name which is presently in the name of Kesar Enterprises Ltd. However, KPT has raised a demand of ₹ 208,354,295/- on account of such transfer/ upfront fee for change in the name. The Company has filed a writ petition in High Court of Ahmedabad, against the demand raised by the KPT. The Company is of the view that the demand raised is likely to be deleted or substantially reduced and hence no provision made. The Depreciation on Assets constructed at lease hold land of KPT has been charged as per the rates prescribed in Schedule II of the Companies Act 2013. However for certain portion of leasehold land, where the lease period has been expired, the same is pending for renewal, although the Company has filed an application for the renewal of the said lease. The Company is of the view that Lease shall be renewed on the outcome of the writ petition filed in High Court of Ahmedabad.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**
30 EMPLOYEE BENEFIT

Defined Benefit Plan (Gratuity Fund) – Funded

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

The amounts recognized in the balance sheet are as follows:

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
Present Value of funded obligations	21,125,446	19,605,873
Fair Value of plan assets	18,800,175	18,801,080
Net liability /(Assets)	2,325,271	804,793
Amount in balance sheet Liabilities	2,325,271	804,793

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

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
Current service cost	1,256,699	1,165,342
Interest on obligation	64,384	1,449,360
Expected return on plan assets	(1,504,086)	(1,528,588)
Net actuarial losses (gains) recognized in year	2,755,538	2,724,145
Total included in employee benefit expense	2,572,535	3,810,259

(b) 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 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
Opening defined benefit obligation	19,605,873	18,117,000
Service costs	1,256,699	1,165,342
Interest costs	1,568,470	1,449,360
Actuarial losses (gains)	(252,634)	2,678,585
Benefits paid	(1,052,961)	(3,804,414)
Closing defined benefit obligation	21,125,446	19,605,873

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- (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 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
Opening fair value of plan assets	18,801,080	18,973,712
Adjustment in funds	-	133,642
Expected return on plan assets	1,504,086	1,528,588
Actuarial gains / (losses)	(1,504,086)	(45,560)
Contributions by employer	1,052,056	2,015,112
Benefits paid	(1,052,961)	(3,804,414)
Closing fair value of plan assets	18,800,175	18,801,080

Plan Assets are invested in Group Gratuity Scheme of Life Insurance Corporation of India.

- (e) Principal actuarial assumptions at the balance sheet date:

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Discount rate	8.00%	8.00%
Salary escalation rate	8.00%	8.00%
Expected return on plan assets	8.00%	8.00%
Attrition rate	1.00%	1.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The expected rate of return on plan assets is based on the expectations of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The estimates of future salary increases are considered taking into account inflation, seniority promotion and other relevant factors.

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

Particulars	Defined Benefit (Gratuity) Plan				
	For the year ended 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)	For the year ended 31 st March 2014 (₹)	For the year ended 31 st March 2013 (₹)	For the year ended 31 st March 2012 (₹)
Defined benefit obligation	21,125,446	19,605,873	18,117,000	16,791,621	11,712,000
Plan assets	18,800,175	18,801,080	18,973,712	15,992,069	12,325,501
Surplus/ (deficit)	(2,325,271)	(804,793)	856,712	(799,552)	613,501

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

(g) Experience Adjustment:

Particulars	Defined Benefit (Gratuity) Plan				
	For the year ended 31 st March 2016(₹)	For the year ended 31 st March 2015(₹)	For the year ended 31 st March 2014(₹)	For the year ended 31 st March 2013(₹)	For the year ended 31 st March 2012(₹)
On plan Liability (Gains)/ Losses	(252,634)	2,678,585	713,341	1,626,947	738,861
On plan Assets Gains/ (Losses)	(1,504,086)	(45,560)	(71,993)	86,700	(30,407)

Defined Benefit Plan (Gratuity Fund) – Unfunded

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 31 st March, 2016 (Amount in ₹)	For the year ended 31 st March, 2015 (Amount in ₹)
Present Value of Unfunded obligations	99,827	266,828
Fair Value of plan assets	-	-
Net liability	99,827	266,828
Amount in balance sheet Liabilities	99,827	266,828

(b) The amounts recognized as Employee cost are as follows:

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended 31 st March, 2016 (Amount in ₹)	For the year ended 31 st March, 2015 (Amount in ₹)
Current service cost	120,624	102,687
Interest on obligation	21,346	11,952
Expected return on plan assets	-	-
Net actuarial losses (gains) recognized in year	(308,971)	2,789
Total included in employee benefit expense	(167,001)	117,428
Actual return on plan assets	-	-

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- (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 31 st March, 2016 (Amount in ₹)	For the year ended 31 st March, 2015 (Amount in ₹)
Opening defined benefit obligation	266,828	149,400
Service costs	120,624	102,687
Interest costs	21,346	11,952
Actuarial losses (gains)	(308,971)	2,789
Benefits paid	-	-
Closing defined benefit obligation	99,827	266,828

- (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 31 st March, 2016 (Amount in ₹)	For the year ended 31 st March, 2015 (Amount in ₹)
Opening fair value of plan assets	-	-
Amount of last year taken credit in funds	-	-
Expected return on plan assets	-	-
Actuarial gains / (losses)	-	-
Contributions by employer	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-

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

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended 31 st March, 2016 (Amount in ₹)	For the year ended 31 st March, 2015 (Amount in ₹)
Discount rate	8.00%	8.00%
Salary escalation rate	8.00%	8.00%
Attrition rate	1.00%	1.00%
Expected return on plan assets	Not Applicable	Not Applicable

- (f) Amounts for the current and previous 3 years are as follows:

Particulars	For the year ended 31 st March, 2016 (Amount in ₹)	For the year ended 31 st March, 2015 (Amount in ₹)	For the year ended 31 st March, 2014 (Amount in ₹)	For the year ended 31 st March, 2013 (Amount in ₹)
Defined benefit obligation	99,827	266,828	149,400	88,350
Plan assets	-	-	-	-
Surplus/ (deficit)	(99,827)	(2,66,828)	(149,400)	(88,350)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

(g) Experience Adjustment:

Particulars	For the year ended 31 st March, 2016 (Amount in ₹)	For the year ended 31 st March, 2015 (Amount in ₹)	For the year ended 31 st March, 2014 (Amount in ₹)	For the year ended 31 st March, 2013 (Amount in ₹)
On plan Liability (Gains)/ Losses	(308,971)	2789	(27,051)	-
On plan Assets Gains/ (Losses)	-	-	-	-

The subsidiary company has not conducted actuarial valuation for the year 2011-12, being first year of incorporation and hence disclosure has not been made in consolidated financial statement.

Defined Contribution Plans

Amount recognized as expense in respect of Compensated Leave Absence is ₹ 2,755,874 (Previous Year ₹ 4,450,300) of which ₹ 250,997 (Previous Year ₹ 130,219) is recognised in Pre-operative expenditure pending capitalization.

Amount recognized as an expense in respect of "Contribution to Provident and other Funds" is ₹ 5,595,988 (Previous Year ₹ 5,291,130) of which ₹ 292,214 (Previous Year ₹ 318,850) is recognised in Pre-operative expenditure pending capitalization.

31 CSR Expenditure

Particulars	For the year ended 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
Opening Balance	1,286,046	-
a) Gross Amount required to be spent by the Company during the year	3,390,606	2,673,228
b) Amount spent during the year	-	13,87,182
Balance Yet to be Spent	4,676,652	1,286,046

32 Segment Reporting

The Company is mainly engaged in Liquid Storage Business in India 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 under Accounting Standard 17 – 'Segment Reporting'.

33 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 (upto April 29, 2016)
Mr. Rohan H Kilachand	Executive Director (w.e.f April 29, 2016)
Mrs. M H Kilachand	Promoter Director
Mr. S G Khare	Chief Executive Officer
Mr. V J Doshi	Chief Financial Officer
Mr. B A Shah	Company Secretary (upto January 05, 2016)

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Relatives of Key Management Personnel:

Mrs. Nidhi R Kilachand	Wife of Executive Director
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
 Seel Investment Pvt. Ltd.
 Duracell Investments & Finance Pvt. Ltd. (merged with Seel Investment Pvt. Ltd. W.e.f 08.05.2015)

Disclosure of transactions with related parties and the status of outstanding balance as on 31st March, 2016:

Particulars	Kesar Enterprises Limited (₹)	H R Kilachand (₹)	M H Kilachand (₹)	Rohan H Kilachand (₹)	Indian Commercial Co. Pvt. Ltd. (₹)
(a) Transactions					
Sharing of Common Expenses	16,311,205 (14,644,271)				
Assets received	218,028 (4,243,807)				
Managerial Remuneration		7,056,080 (7,189,934)			
Director Fees/Commission			335,000 (350,000)		
Salary paid				1,533,124 (973,521)	
Repayment of Security Deposit					- (1200,000)
(b) Balance outstanding					
Payable for Expenses Short term	1,723,962 (-)				
Managerial Remuneration		5,118,500 (3,500,000)			
Director Fees/Commission			200,000 (200,000)		
Salary				93,806 (-)	
Investments	250,000 (250,000)				

(Figures in brackets represents previous year)

KESAR TERMINALS & INFRASTRUCTURE LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Payment to Key Managerial Personnel:

Particulars	V J Doshi (CFO) (₹)	S G Khare (CEO) (₹)	B A Shah (CS) upto 05.01.2016(₹)
(b) Transactions Remuneration	6,796,284 (6,593,100)	7,198,771 (5,436,672)	879,643 (1,023,816)
(b) Balance outstanding Remuneration	337,873 (-)	343,663 (-)	- (-)

Dividend Paid to Key Management Personnel and their relatives, Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence:

Name	During the Year 2015-16 (₹)	During the Year 2014-15 (₹)
Harsh R Kilachand	1,363,051	1,168,329
Shreemati Ambalal Kilachand (Late)	21,256	18,219
Madhavi Harsh Kilachand	510,510	437,580
Rohan Harsh Kilachand	463,250	397,071
Rohita Harsh Kilachand	460,166	394,428
Harsh Rajnikant Kilachand (HUF)	67,190	57,591
Rajnikant A Kilachand (Late)	177,713	152,325
Indian Commercial Co. Pvt. Ltd.	569,044	487,752
Seel Investment Pvt. Ltd.	187,373	160,605
Indian Carat Pvt Ltd	24,871	21,318
Kesar Corporation Pvt Ltd	5,072,375	4,347,750
Kesar Enterprises Ltd	1,750,000	1,500,000
Duracell Investments & Finance Pvt Ltd (merged with Seel Investment Pvt. Ltd. W.e.f 8.5.2015)	-	300,720

34 Supplementary statutory information:

Particulars	For the year ended 31 st March 2016 (₹)	For the year ended 31 st March 2015 (₹)
(a) Expenditure in foreign currency (Travelling & Business Promotion Expenses)	2,080,406	345,398
(b) Earnings in foreign currency	-	-
© CIF value of Imports	-	-

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

35 Disclosure of amounts payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company and its Subsidiary Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts/ interest payable for delayed payments to such vendors as at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

36 Earnings Per Share (EPS):

Particulars	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Basic & Diluted EPS:		
a) Net profit attributable to Equity Shareholders (₹)	155,398,336	145,059,126
b) Weighted average number of Equity Shares Outstanding (Nos.)	5,253,113	5,253,113
Basic & Diluted EPS (₹)	29.58	27.61
Face Value per Share (₹)	10	10

37 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 ₹ 16,311,205 (Previous Year ₹ 14,644,271). Addition to fixed assets includes ₹ 218,028 (Previous Year ₹ 4,243,807) (net of depreciation), transferred from Kesar Enterprises Ltd.

38 Additional information as required under Schedule III of Companies Act, 2013:

Name of the entity in	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount ₹	As % of consolidated profit or loss	Amount ₹
Kesar Terminals & Infrastructure Ltd	5.88% (10.47%)	41,825,700 (58,852,259)	100% (100%)	155,398,336 (145,059,126)
Subsidiary			-	-
Indian				
Kesar Multimodal Logistics Ltd	94.09% (89.49%)	669,550,000 (503,447,631)	(-)	(-)
Minority	0.03% (0.04%)	250,000 (250,000)	- -	- -

(Figures in brackets represents previous year)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2016**

- 39 The Company carries excess income tax provision amounting to ₹ 39,241,247 (Previous Year ₹ 26,699,860) pending assessments.
- 40 The Company has received order dated March 25, 2016 under Section 143(3) of the Income Tax Act, 1961, raising a demand of ₹ 39,607,430. While raising a demand the Assessing Officer has erroneously not given the credit for Advance Tax and Self Assessment Tax of ₹ 26,650,000 and ₹ 5,000,000 respectively. The Company has filed application on 4th April, 2016 for the rectification under Section 154 of the Income Tax Act, 1961. Upon giving effect to the said application the demand raised by Income Tax Department shall stand deleted and refund is due to the Company.
- 41 Derivative instruments and unhedged foreign currency exposure ₹ Nil (previous year ₹ Nil)
- 42 The previous year figures have been regrouped and reclassified wherever necessary to correspond with the current year classification/ disclosure.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI FRN NO.103523W

Atul Gala

Partner

Membership No. 048650

Place: Mumbai

Date: 30th May, 2016

For and on behalf of the Board of Directors

A S Ruia

Chairman

DIN 00296622

V J Doshi

Chief Financial Officer

R H Kilachand

Executive Director

DIN 07241625

Dilip Maharana

Company Secretary

Place: Mumbai

Date: 30th May, 2016

Annual Report 2015-2016

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

1. Sr. No. : 1
2. Name of the subsidiary : Kesar Multimodal Logistics Ltd.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period : 31st March, 2016
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. : NA
5. Share capital : ₹ 514,400,000/-
6. Reserves & surplus : -
7. Total assets : ₹ 1,665,550,261/-
8. Total Liabilities : ₹ 1,151,550,261/-
9. Investments : -
10. Turnover : NA
11. Profit before taxation : NA
12. Provision for taxation : NA
13. Profit after taxation : NA
14. Proposed Dividend : NA
15. % of shareholding : 99.94 %

Notes : The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations : **Kesar Multimodal Logistics Ltd.**
2. Names of subsidiaries which have been liquidated or sold during the year : NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	-	-	-
2. Shares of Associate/Joint Ventures held by the company on the year end No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding %			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Networth attributable to Shareholding as per latest audited Balance Sheet			
6. Profit / Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations. - NA
 2. Names of associates or joint ventures which have been liquidated or sold during the year. - NA
- Note : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors

A S Ruia
Chairman
DIN 00296622

R H Kilachand
Executive Director
DIN 07241625

V J Doshi
Chief Financial Officer

Dilip Maharana
Company Secretary

Place: Mumbai
Date: 30th May, 2016

KESAR TERMINALS & INFRASTRUCTURE LIMITED

CIN: L45203MH2008PLC178061

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

E-mail: headoffice@kesarinfra.com, Tel: 022-22851737, Fax: 022-22876162

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]
8th ANNUAL GENERAL MEETING ON AUGUST 3, 2016

Name of Member(s)		E-mail Id:	
Registered Address		Folio No. / *Client Id *DP Id	

I / We, being the Member(s) of _____ shares of the above named Company, hereby appoint:

- (1) Name: _____
Address _____
E-mail Id: _____ or failing him
- (2) Name: _____
Address _____
E-mail Id: _____ or failing him
- (3) Name: _____
Address _____
E-mail Id: _____ or failing him

as my /our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 8th Annual General Meeting of the Company, to be held on Wednesday, August 3, 2016 at 3:30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions:

1. Consider and adopt:
a) Audited Financial Statement, Reports of the Board of Directors and Auditors
b) Audited Consolidated Financial Statement
2. Declaration of dividend on Equity Shares
3. Re-appointment of Smt. M H Kilachand who retires by rotation
4. Appointment of Statutory Auditors and fixing their remuneration
5. Appointment of Shri R H Kilachand as Executive Director
6. Issue of Bonus Shares
7. Split of Face Value of Equity Shares
8. Alteration of Capital Clause of the Memorandum of Association
9. Approve and ratify the transaction under Section 188 of the Companies Act, 2013

Signed this _____ day of _____ July, 2016

* Applicable for investors holding shares in electronic form.

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

NOTE:

- (1) **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 commencement of the Meeting.**
- (2) **A Proxy need not be a member of the Company.**
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

CIN: L45203MH2008PLC178061

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 8th Annual General Meeting of the Company, to be held on Wednesday, 3rd August, 2016 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	

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	160705006
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Notes:

- 1 Please read the instructions printed in Note No. (k) to the Notice of 8th Annual General Meeting dated July 1, 2016. The Voting period starts from 09:00 a.m. on Sunday, 31st July, 2016 and ends at 05.00 p.m. on Tuesday, 2nd August, 2016. The voting module shall be disabled by CDSL for voting thereafter.
2. The Shareholders holding Shares in physical form and not having PAN are requested to refer address sticker to get e-voting sequence no. and password.

Name and Address of the Member:

Signature of Member or Proxy or Representative

* Applicable for investors holding shares in electronic form.



If undelivered please return to:

KESAR TERMINALS & INFRASTRUCTURE LIMITED

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