



## 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](mailto:headoffice@kesarinfra.com)  
CIN : L45203MH2008PLC178061

14<sup>th</sup> September 2017

To,

The Secretary  
Corporate Relationship Department  
Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

Fax # 2272 3121 / 2272 20 37 / 2272 2041

Mr. Hari K  
Assistant Vice President  
Listing Department,  
National Stock Exchange of India Ltd.  
5<sup>th</sup> Floor, Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051

Fax # : 2659 8237 / 2659 8238

### Sub: Submission of the Annual Report to the Stock Exchange

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the Financial year 2016-17.

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

Please acknowledge.

Thanking you.

Yours faithfully,  
For KESAR TERMINALS & INFRASTRUCTURE LIMITED.

  
ALOK SINGH  
COMPANY SECRETARY





9th Annual Report  
2016~17

**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 upto  
31.5.2017-Non Executive Director w.e.f 1.6.2017)

### **CHIEF FINANCIAL OFFICER**

V J DOSHI

### **COMPANY SECRETARY**

DILIP MAHARANA (upto 15.09.2016)  
ALOK SINGH (w.e.f. 14.11.2016)

### **BANKERS**

Yes Bank

### **AUDITORS**

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-Independent Director)  
J N GODBOLE (Independent Director)  
R S LOONA (Independent Director)  
H R KILACHAND (Member 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 **9th** Annual General Meeting of the Members of **KESAR TERMINALS & INFRASTRUCTURE LIMITED** (CIN: L45203MH2008PLC178061) will be held on **12<sup>th</sup> September, 2017 at 3:30 p.m. at M C Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20 Kaikhushuru 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, 2017 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 Shri J K Devgupta (DIN 00515391), who retires by rotation and being eligible offers himself 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 there under and pursuant to the recommendation of the Audit Committee, the appointment made of 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 2018, 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 modifications the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, whereby a document may be sent to any member by the Company by post or by registered post or by speed post or by courier at the address registered with the Company or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member, the applicable fee in advance equivalent to the estimated actual expenses of delivery of the document, pursuant to any request made by the member for delivery of such document, through a particular mode of service mentioned above provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the despatch of document by the Company.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Directors or Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

### **Registered Office:**

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

By Order of the Board of Directors

**Alok Singh**  
Company Secretary

**30<sup>th</sup> May 2017**

### **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.

## KESAR TERMINALS & INFRASTRUCTURE LIMITED

- b) The register of members and share transfer books of the Company shall remain closed from **Tuesday, 5th September, 2017 to Tuesday, 12th September, 2017 (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 unclaimed dividend for the year 2009-10 will be transferred to the fund on or before 20.10.2017.
- d) The Members may Lodge their shares for transfer / transmission with the office of 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.
- e) 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.
- f) 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. up to the date of the ensuing Meeting.
- g) 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.
- h) 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.
- i) 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.
- j) 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. Hence kindly provide them your email address for serving by electronic mode the notice/ documents as part of the Green initiative in Corporate Governance. The said information / request can be sent by members to Sharex Dynamics (India) Pvt. Ltd. the Registrar and Trasfer Agents through email id [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com) or the Company's id [headoffice@kesarindia.com](mailto:headoffice@kesarindia.com).
- k) In compliance with the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has considered **Tuesday, 5th September, 2017** 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.
- l) Brief resume of Shri J K Devgupta, the retiring Director, is provided in the Corporate Governance Report forming part of the Annual General Meeting.
- m) **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 9th 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 **Saturday, 9.9.2017 at 10:00 a.m** and ends on **Monday, 11.9.2017 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. **5.9.2017** may cast their vote electronically. The e-voting module shall be disabled



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by CDSL for voting thereafter.

- (ii) 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	
<b>PAN</b>	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"> <li>Members who have not updated their PAU 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.</li> </ul>
	<ul style="list-style-type: none"> <li>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. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	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.
- (xi) Click on the **EVS** for the relevant **KESAR TERMINALS & INFRASTRUCTURE LIMITED** 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

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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, URI etc.) and Custodian are required to log on to **[www.evotingindia.com](http://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](mailto: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](mailto: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](http://www.evotingindia.com)**, under help section or write an email to **[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)**

- xx) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- xxi) 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](http://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.

## ANNEXURE TO THE NOTICE

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

**Item No. 5:**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be sent to any Member by post or by registered post or by speed post or by courier or by electronic mode or any other modes as may be prescribed at the address registered with the Company. Further, a member may request for delivery of any document through a particular mode, on payment of the applicable fees in advance as may be determined by the shareholder at the Annual General Meeting.

Accordingly, it is proposed to seek approval of the Members to charge from the member, the applicable fee in advance, equivalent to the estimated actual expenses of delivery of the document.

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Special Resolution as set out at Item No.5 of the Notice for your approval.

**Registered Office:**

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

**30<sup>th</sup> May 2017**

By Order of the Board of Directors

**Alok Singh**  
Company Secretary



# Annual Report 2016-2017

## DIRECTORS' REPORT

To,  
The Shareholders  
Kesar Terminals & Infrastructure Ltd.

Dear Members,

Your Directors present to you the 9th Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2017.

### STANDALONE FINANCIAL RESULTS

	(Rs. in Lakh)	
	2016-17	2015-16
<b>Profit before interest, depreciation &amp; taxation</b>	<b>2705.40</b>	2685.55
<b>Less:</b> Interest and Finance Charges	<b>239.70</b>	275.58
Profit before Depreciation & taxation	<b>2465.70</b>	2409.97
<b>Less:</b> Depreciation	<b>177.55</b>	194.44
<b>Add:</b> Depreciation of Earlier Years	<b>120.73</b>	-
<b>Profit before tax</b>	<b>2408.88</b>	2215.53
<b>Less: Provision for Taxation</b>		
(i) Income Tax – Current	<b>689.16</b>	663.19
(ii) Income Tax – Deferred	<b>34.21</b>	(1.64)
<b>Profit after tax and Profit available for appropriation</b>	<b>1685.51</b>	1553.98
<b>Appropriation:</b>		
<b>Less:</b>		
(i) Transfer to General Reserve	-	500.00
(ii) Proposed Dividend on Equity Share	54.63	52.53
(iii) Corporate Tax on Dividends	11.12	10.69
<b>Profit after appropriation</b>	<b>1,619.76</b>	<b>990.76</b>
<b>Add:</b> Balance brought forward from previous year	<b>3,592.45</b>	<b>2,601.69</b>
<b>Balance carried forward to Balance Sheet</b>	<b>5,212.21</b>	<b>3,592.45</b>

For the year 2016-17, there is a profit after tax of Rs.1685.51 lakh as against Rs.1,553.98 lakh in the previous year.

### DIVIDEND

The Directors are pleased to recommend a dividend of Re.0.50 per Equity Share (10%) of Rs.5/- each on 1,09,26,475 Equity Shares of the Company for the year 2016-17 [previous year Re.1.00 per Equity Share (10%) of Rs. 10/- each]. The dividend payout will be Rs.54.63 lakh, excluding dividend distribution tax of Rs.11.12 lakh.

### WORKING FOR THE CURRENT YEAR 2016-17

During the year under review, your Company achieved a turnover of Rs. 4,390.26 lakh, as against Rs.4,396.83 lakh in the previous year. The Company recorded an increase of 8.46 % in its profit after tax, which grew from Rs.1,553.98 lakh to Rs.1685.51 lakh. The Company's healthy performance was attributed to better realisation in terminal tankage charges and improvement in the average commercial utilization charges of tanks.

### SUBSEQUENT FINANCIAL YEAR 2017-18

For the financial year 2017-18, there is likely going to be drop in revenue as new terminals have come up in Kandla thus augmenting storage capacities. The new terminals are offering lower rates to attract clients to their fold. As a consequence, the terminal users have been resisting annual increase in rental charges and in fact insisting for downward revision of service charges.

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## 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/ renewal of lease of land in favour of the Company post Demerger is yet to take place, no favourable response has been coming from Kandla Port Trust [KPT] for construction of new capacities. It is expected that the issues with KPT would be sorted out by middle of the year in respect of renewal of the particular plot of land where construction of additional tanks are planned.

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 renewed 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 Kakinada/ Pipavav is expected to commence after Phase I of the Composite Logistics Hub Project of the Subsidiary Company, Kesar Multimodal Logistics Ltd. (KMLL) stabilizes its operations.

## 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 of KMLL contained in Form AOC-1 forms part of the notes to the financial statements annexed herewith.

## CONSOLIDATED 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

KMLL has successfully completed construction of the 1<sup>st</sup> Phase of the Project. 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. The Private Freight Terminal of KMLL became operational on 19.04.2016. Since then, KMLL has handled 90 rakes till 31.03.2017.

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. The facilities at the Hub 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 the 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 desired central storage and distribution point for pan India distribution of their products once the 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. 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). KMLL has obtained all permissions for Inland Container Depot [ICD] including posting of Customs Officials and Electronic Data Inter-phase (EDI) connectivity with Customs for processing of Import/ Export cargo documents. KMLL will shortly move import/ export containers by Rail/ Road to/ from the ICD. The Cold Storage is being patronized by local fruit and vegetable vendors and also traders for storing of seed potatoes, potatoes, coriander seeds, chickpeas, fruits etc.

## SHARE CAPITAL

The paid up Equity Share Capital as on 31.3.2017 was Rs. 5.46 crore. During the year under review, the Face Value of One (1) Equity Share of Rs.10/- was sub-divided into Two (2) Equity shares of face value of Rs. 5/- each.

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Thus, the Authorised Share Capital of the Company is Rs.15,00,00,000/- divided into 2,50,00,000 Equity Shares of Rs.5/- each aggregating to Rs.12,50,00,000 and 25,00,000 Redeemable Preference Shares of Rs.10/- each aggregating to Rs.2,50,00,000. Thereafter, the Company issued 4,20,249 fully paid up Equity Shares of Rs. 5/- each as Bonus Shares in proportion of One (1) new Equity Share of Rs.5/- each for every Twenty Five (25) existing fully paid Equity Shares of Rs.5 /- each held by the Member. The Paid up Share Capital of the Company is 1,09,26,475 Equity Shares of Rs.5/- each aggregating to Rs.5,46,32,375.

## BOARD MEETINGS

During the year 8 Board Meetings and 4 Audit Committee Meetings were 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

Shri H R Kilachand ceased to be the Director of the Company with effect from 29.4.2016 on his resignation due to his engagement in other business activities. The Board placed on record its sincere appreciation for the valuable support and guidance given by him to the Company during his tenure as Director of the Company.

Consequent to the resignation of Shri H R Kilachand, the Board had appointed Shri A S Ruia, Independent Director, as Chairman of the Company with effect from 29.4.2016.

Shri R H Kilachand was appointed as Whole-time Director of the Company with effect from 29.4.2016. Subsequently, he has resigned as Whole-time Director of the Company w.e.f 31.05.2017 as he wishes to pursue his further studies and is now continuing only as a Non-Executive Director on the Board of the Company.

Pursuant to Section 152 of the Companies Act, 2013, Shri J K Devgupta, Non- Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. As per the SEBI (LODR) Regulations 2015, brief profile of Shri Devgupta retiring by rotation forms part of the Corporate Governance Report.

Consequent to the resignation of Shri Dilip Maharana as Company Secretary, in his place Shri Alok Singh was appointed as Company Secretary with effect from 14.11.2016 pursuant to Section 203 of the Companies Act, 2013.

All Independent Directors have given their declaration that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

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 are available at the Company's website [www.kesarinfra.com/Investor's Corner/ Policies](http://www.kesarinfra.com/Investor's_Corner/Policies).

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

Pursuant to the provisions of the Companies Act, 2013, The Independent Directors made the annual evaluation of performance of the Board, its Committees and of individual Directors.

The Board has 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_Corner/Policies).

## MATERIAL CHANGES BETWEEN END OF THE FINANCIAL YEAR & DATE OF THIS REPORT:

Shri R H Kilachand has resigned as Whole-time Director of the Company w.e.f 31.05.2017 as he wishes to pursue his further studies and is now continuing only as a Non-Executive Director on the Board of the Company.

## 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:

## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

- i) that in preparation of the annual accounts for the financial year ended on 31st March, 2017, 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, 2017 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**

There are no contracts or arrangements with related party referred Section 188(1) of the Companies Act, 2013, hence Form AOC -2 is not annexed.

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 "A"**.

### **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 compliances, 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. As part of this policy, during the year under review, the Company had arranged a session on Women's Safety by Madhukar Katragadda, Major (Retd). During the year under review no incident had taken place.

# Annual Report 2016-2017

## 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.7,50,330/- (Previous Year Rs. 20,80,406/-).

## INSURANCE

The Company has taken adequate insurance for all its properties.

## 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 any Fixed Deposits. Further, as per Section 74(1) of the Companies Act, 2013, the Company has repaid the entire Fixed Deposit.

## AUDITORS

Haribhakti & Co. LLP, Chartered Accountants, was 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 Haribhakti & Co. LLP, Chartered Accountants is placed before the Shareholders for their ratification.

## AUDITORS' REPORT

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

## INTERNAL CONTROL SYSTEM & INTERNAL AUDITORS

The Company has an adequate Internal Control System. All transactions are properly authorized, recorded and reported to the Management. The Company has Independent Internal Auditors 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 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- "B"**. 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-"C"**.

## 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- "D"** 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

## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

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.

For and on behalf of the Board of Directors

**A S Ruia**  
Chairman  
DIN: 00296622

Mumbai  
30th May, 2017



# Annual Report 2016-2017

## “Annexure A”

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

**As on the financial year ended on 31/03/2017 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 1-April-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
(a). individual	816019	59190	875209	16.661	1697316	123110	1820426	16.661	0
(b). Central Govt.	-	-	-	-	-	-	-	-	-
(c). State Govt(s).	-	-	-	-	-	-	-	-	-
(d). Bodies Corpp.	2272715	0	2272715	43.264	4727245	0	4727245	43.264	0

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e). FIINS / BANKS.	-	-	-	-	-	-	-	-	-
(f). Any Other	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters (A)</b>	<b>3088734</b>	<b>59190</b>	<b>3147924</b>	<b>59.925</b>	<b>6424561</b>	<b>123110</b>	<b>6547671</b>	<b>59.925</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
(a). Mutual Funds	0	70	70	0.001	0	145	145	0.001	0
(b). Banks / FI	639	486	1125	0.021	19589	1008	20597	0.189	639
(c). Central Govt.		0				0			
(d). State Govt.		0			530384	0	530384	4.854	
(e). Venture Capital Funds		0				0			
(f). Insurance Companies	255941	0	255941	4.872		0			255941
(g). FIs		0				0			
(h). Foreign Venture Capital Funds		0				0			
(i). Others (specify)		0				0			
<b>Sub-total (B)(1):-</b>	<b>256580</b>	<b>556</b>	<b>257136</b>	<b>4.894</b>	<b>549973</b>	<b>1153</b>	<b>551126</b>	<b>5.044</b>	<b>0.15</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
(i). Indian	323255	973	324228	6.172	697608	2019	699627	6.403	0.231
ii) Overseas		0				0			0.000
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1087635	170719	1258354	23.954	2204295	331603	2535898	23.209	-0.745
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	204087	0	204087	3.885	264889	0	264889	2.424	-1.461
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	56617	140	56757	1.08	120496	291	120787	1.105	0.025
Overseas Corporate Bodies		0			52982	0	52982	0.485	0.485
Foreign Nationals		0				0			0
Clearing Members	4627	0	4627	0.088	153495	0	153495	1.405	1.317
Trusts		0				0			0
Foreign Bodies - D R		0				0			0
<b>Sub-total (B)(2):-</b>	<b>1676221</b>	<b>171832</b>	<b>1848053</b>	<b>35.179</b>	<b>3493765</b>	<b>333913</b>	<b>3827678</b>	<b>35.031</b>	<b>-0.148</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1932801</b>	<b>172388</b>	<b>2105189</b>	<b>40.073</b>	<b>4043738</b>	<b>335066</b>	<b>4378804</b>	<b>40.075</b>	<b>0.002</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		<b>0</b>				<b>0</b>			<b>0.000</b>
<b>Grand Total (A+B+C)</b>	<b>5021535</b>	<b>231578</b>	<b>5253113</b>	<b>100.00</b>	<b>10468299</b>	<b>458176</b>	<b>10926475</b>	<b>100.00</b>	<b>0.002</b>

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## (ii) Shareholding of Promoter-

Sr No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2016			Share holding at the end of the year 31/03/2017			% 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	1449250	27.588	0	3014439	27.588	0	0
2	Kesar enterprises Ltd.	500000	9.518	0	1040000	9.518	0	0
3	Madhavi Harsh Kilachand	307860	5.861	0	640348	5.861	0	0
4	Harsh Rajnikant Kilachand	225385	4.291	0	468799	4.29	0	-0.001
5	Indian Commercial Co Pvt Ltd	162584	3.095	0	338174	3.095	0	0
6	Seel Investment Pvt Ltd	153775	2.927	0	319852	2.927	0	0
7	Rohan Harsh Kilachand	132357	2.52	0	275302	2.52	0	0
8	Rohita Harsh Kilachand	131476	2.503	0	273470	2.503	0	0
9	Rajnikant A Kilachand	50775	0.967	0	105610	0.967	0	0
10	Harsh Rajnikant Kilachand (Huf)	19197	0.365	0	39929	0.365	0	0
11	India Carat Pvt Ltd	7106	0.135	0	14780	0.135	0	0
12	Shreemati Ambalal Kilachand	6073	0.116	0	12631	0.116	0	0
13	Harsh R Kilachand	2058	0.039	0	4280	0.039	0	0
14	Amrish Rajnikant Kilachand	21	0	0	43	0	0	0
15	Ramila Rajnikant Kilachand	7	0	0	14	0	0	0
	<b>Total</b>	<b>3147924</b>	<b>59.925</b>		<b>6547671</b>	<b>59.924</b>		<b>-0.001</b>

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

Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the company
		No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	
<b>1</b>	<b>Kesar Corporation Pvt Ltd</b>	1449250	27.588	31-03-2016				
				19-08-2016	1449250	Split	2898500	27.588
				26-08-2016	115939	Bonus	3014439	27.588
	-Closing Balance			31-03-2017			3014439	27.588
<b>2</b>	<b>Kesar Enterprises Ltd.</b>	500000	9.518	31-03-2016				
				19-08-2016	500000	Split	1000000	9.518
				26-08-2016	40000	Bonus	1040000	9.518
	-Closing Balance			31-03-2017			1040000	9.518
<b>3</b>	<b>Madhavi Harsh Kilachand</b>	307860	5.861	31-03-2016				
				19-08-2016	307860	Split	615720	5.861
				26-08-2016	24628	Bonus	640348	5.861
	-Closing Balance			31-03-2017			640348	5.861
<b>4</b>	<b>Harsh Rajnikant Kilachand</b>	225385	4.291	31-03-2016				
				19-08-2016	225385	Split	450770	4.291
				26-08-2016	18029	Bonus	468799	4.29
	-Closing Balance			31-03-2017			468799	4.29

## KESAR TERMINALS & INFRASTRUCTURE LIMITED

Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the company
		No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	
5	<b>Indian Commercial Co Pvt Ltd</b>	162584	3.095	31-03-2016				
				19-08-2016	162584	Split	325168	3.095
				26-08-2016	13006	Bonus	338174	3.095
	-Closing Balance			31-03-2017			338174	3.095
6	<b>Seel Investment Pvt Ltd</b>	153775	2.927	31-03-2016				
				19-08-2016	153775	Split	307550	2.927
				26-08-2016	12302	Bonus	319852	2.927
	-Closing Balance			31-03-2017			319852	2.927
7	<b>Rohan Harsh Kilachand</b>	132357	2.52	31-03-2016				
				19-08-2016	132357	Split	264714	2.52
				26-08-2016	10588	Bonus	275302	2.52
	-Closing Balance			31-03-2017			275302	2.52
8	<b>Rohita Harsh Kilachand</b>	131476	2.503	31-03-2016				
				19-08-2016	131476	Split	262952	2.503
				26-08-2016	10518	Bonus	273470	2.503
	-Closing Balance			31-03-2017			273470	2.503
9	<b>Rajnikant A Kilachand</b>	50775	0.967	31-03-2016				
				19-08-2016	50775	Split	101550	0.967
				26-08-2016	4060	Bonus	105610	0.967
	-Closing Balance			31-03-2017			105610	0.967
10	<b>Harsh Rajnikant Kilachand (Huf)</b>	19197	0.365	31-03-2016				
				19-08-2016	19197	Split	38394	0.365
				26-08-2016	1535	Bonus	39929	0.365
	-Closing Balance			31-03-2017			39929	0.365
11	<b>India Carat Pvt Ltd</b>	7106	0.135	31-03-2016				
				19-08-2016	7106	Split	14212	0.135
				26-08-2016	568	Bonus	14780	0.135
	-Closing Balance			31-03-2017			14780	0.135
12	<b>Shreemati Ambalal Kilachand</b>	6073	0.116	31-03-2016				
				19-08-2016	6073	Split	12146	0.116
				26-08-2016	485	Bonus	12631	0.116
	-Closing Balance			31-03-2017			12631	0.116
13	<b>Harsh R Kilachand</b>	2058	0.039	31-03-2016				
				19-08-2016	2058	Split	4116	0.039
				26-08-2016	164	Bonus	4280	0.039
	-Closing Balance			31-03-2017			4280	0.039
14	<b>Amrisha Rajnikant Kilachand</b>	21	0	31-03-2016				
				19-08-2016	21	Split	42	0
				26-08-2016	1	Bonus	43	0
	-Closing Balance			31-03-2017			43	0
15	<b>Ramila Rajnikant Kilachand</b>	7	0	31-03-2016				
				19-08-2016	7	Split	14	0
	-Closing Balance			31-03-2017			14	0

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

Sr. No	Name	No. of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	% of total Shares of the company
1	<b>The Oriental Insurance Company Limited</b>	223389	4.253	31-03-2016				
				17-06-2016	-2472	Sold	220917	4.205
				24-06-2016	-9	Sold	220908	4.205
				19-08-2016	220908	Split	441816	4.205
	-Closing Balance			31-03-2017		No Change	459488	4.205
2	<b>Mentor Capital Limited</b>	175370	3.338	31-03-2016				
				19-08-2016	175370	Split	350740	3.338
				26-08-2016	14029	Bonus	364769	3.338
	-Closing Balance			31-03-2017			364769	3.338
3	<b>Raju Ajit Bhandari</b>	41474	0.79	31-03-2016				
				24-06-2016	100	Buy	41574	0.791
				22-07-2016	10	Buy	41584	0.792
				29-07-2016	-35	Sold	41549	0.791
				05-08-2016	-75	Sold	41474	0.79
				19-08-2016	41474	Split	82948	0.79
				26-08-2016	3317	Bonus	86265	0.79
	-Closing Balance			31-03-2017			86265	0.79
4	<b>Polaris Banyan Holding Private Limited</b>	3889	0.074	30-06-2016				
				08-07-2016	17195	Buy	21084	0.401
				15-07-2016	14643	Buy	35727	0.68
				19-08-2016	35727	Split	71454	0.68
				26-08-2016	2858	Bonus	74312	0.68
				09-09-2016	5725	Buy	80037	0.733
				16-09-2016	52724	Buy	132761	1.215
				23-09-2016	15539	Buy	148300	1.357
				17-03-2017	-16260	Sold	132040	1.208
				24-03-2017	-42230	Sold	89810	0.822
	-Closing Balance			31-03-2017	-4249	Sold	85561	0.783
5	<b>National Insurance Company Ltd</b>	32552	0.62	31-03-2016				
				19-08-2016	32552	Split	65104	0.62
	-Closing Balance			31-03-2017		No Change	67708	0.62
6	<b>Anita Sarin</b>	39550	0.753	31-03-2016				
				05-08-2016	-990	Sold	38560	0.734
				19-08-2016	38560	Split	77120	0.734
				26-08-2016	3084	Bonus	80204	0.734
				02-09-2016	-500	Sold	79704	0.729
				09-09-2016	-1000	Sold	78704	0.72
				23-09-2016	-4386	Sold	74318	0.68
				30-09-2016	-500	Sold	73818	0.676
				07-10-2016	-1500	Sold	72318	0.662

## KESAR TERMINALS & INFRASTRUCTURE LIMITED

Sr. No	Name	No. of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	% of total Shares of the company
				14-10-2016	-1000	Sold	71318	0.653
				21-10-2016	-1000	Sold	70318	0.644
				28-10-2016	-783	Sold	69535	0.636
				23-12-2016	-127	Sold	69408	0.635
				03-03-2017	-3647	Sold	65761	0.602
				10-03-2017	-761	Sold	65000	0.595
	-Closing Balance			31-03-2017			65000	0.595
<b>7</b>	<b>Mukesh Babu Financial Services Limited</b>	28000	0.533	31-03-2016				
				19-08-2016	28000	Split	56000	0.533
				26-08-2016	2240	Bonus	58240	0.533
	-Closing Balance			31-03-2017			58240	0.533
<b>8</b>	<b>Mauryan First</b>	37758	0.346	16-09-2016				
				14-10-2016	45000	Buy	82758	0.757
				27-01-2017	-176	Sold	82582	0.756
	-Closing Balance			31-03-2017	-40000	Sold	42582	0.39
<b>9</b>	<b>Centrum Broking Limited</b>	81	0.002	08-04-2016				
				15-04-2016	-31	Sold	50	0.001
				30-06-2016	-3	Sold	47	0.001
				01-07-2016	200	Buy	247	0.005
				08-07-2016	-158	Sold	89	0.002
				22-07-2016	911	Buy	1000	0.019
				12-08-2016	5477	Buy	6477	0.123
				19-08-2016	6477	Split	12954	0.123
				26-08-2016	25908	Buy	38862	0.356
				26-08-2016	26944	Bonus	65806	0.602
				26-08-2016	-23176	Sold	42630	0.39
				02-09-2016	10000	Buy	52630	0.482
				09-09-2016	-13472	Sold	39158	0.358
				14-10-2016	-39066	Sold	92	0.001
				18-11-2016	3908	Buy	4000	0.037
				25-11-2016	-101	Sold	3899	0.036
				27-01-2017	14444	Buy	18343	0.168
				17-03-2017	1085	Buy	19428	0.178
				24-03-2017	-19346	Sold	82	0.001
	-Closing Balance			31-03-2017	40448	Buy	40530	0.371
<b>10</b>	<b>Anil Sarin</b>	17725	0.337	31-03-2016				
				19-08-2016	17725	Split	35450	0.337
				26-08-2016	1418	Bonus	36868	0.337
				10-02-2017	-3250	Sold	33618	0.308
				03-03-2017	-3775	Sold	29843	0.273
	-Closing Balance			31-03-2017	-5049	Sold	24794	0.227



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## iv Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			% of total Shares of the company
		No. of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	
1	Jayanto Kumar Devgupta	140	0.003	31-03-2016				
				19-08-2016	140	Split	280	0.003
	-Closing Balance			31-03-2017		No Change	291	0.003
2	Anilkumar S Ruia	700	0.013	31-03-2016				
				19-08-2016	700	Split	1400	0.013
				26-08-2016	56	Bonus	1456	0.013
				09-09-2016	2484	Buy	3940	0.036
				16-09-2016	-835	Sold	3105	0.028
				07-10-2016	-1659	Sold	1446	0.013
				28-10-2016	10	Buy	1456	0.013
	-Closing Balance			31-03-2017			1456	0.013

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

(In Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	16,52,35,279	1,07,70,439	69,90,000	18,29,95,718
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	18,74,071	2,96,900	9,12,629	30,83,600
<b>Total (i+ii+iii)</b>	16,71,09,349	1,10,67,339	79,02,629	18,60,79,317
<b>Change in Indebtedness during the financial year</b>				
* Addition	10,01,00,000	-	-	10,01,00,000
* Reduction	8,48,12,276	57,53,305	79,02,629	9,84,68,210
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	18,08,54,165	51,23,666	-	18,59,77,831
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	15,42,909	1,90,368	-	17,33,277
<b>Total (i+ii+iii)</b>	18,23,97,074	53,14,034		18,77,11,108

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SL. No.	Particulars of Remuneration	Name of MD/WT H R Kilachand (Executive Chairman) till 29.04.2016
		Total Amount p.a. (In Rs.)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,39,200
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,73,756
	(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	-
	<b>Total (A)</b>	<b>3,12,956</b>
	Ceiling as per the Act	Within the ceiling limit
		-
SN	Particulars of Remuneration	Name of MD/WT R H Kilachand (Executive Director) w.e.f 29.04.2016
		Total Amount p.a. (In Rs.)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,37,211
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	16,14,545
	(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	<b>32,51,756</b>
	<b>Total (A)</b>	<b>-</b>
	Ceiling as per the Act	Within the ceiling limit

### B. Remuneration to other Directors

(In Rs.)

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	3,20,000	3,60,000	3,40,000	10,20,000
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>3,20,000</b>	<b>3,60,000</b>	<b>3,40,000</b>	<b>10,20,000</b>
2	Non-Executive Directors	Smt. M H Kilachand	Shri J K Devgupta		
	Fee for attending board committee meetings	1,60,000	1,40,000		3,00,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>1,60,000</b>	<b>1,40,000</b>		<b>3,00,000</b>
	<b>Total (B)=(1+2)</b>	<b>4,80,000</b>	<b>5,00,000</b>		<b>13,20,000</b>
	Overall Ceiling as per the Act	Within the ceiling limit			

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

(In Rs.)

SL No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO (up to 21.10.2016)	CFO	CS (Dilip Maharana) (from 26.05.2016 to 15.09.2016)	CS (Alok Singh) (w.e.f.14.11.2016)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	59,31,900	68,74,344	2,78,600	3,96,238	1,34,81,082
	(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	-	-	-	-	-
	<b>Total</b>	<b>59,31,900</b>	<b>68,74,344</b>	<b>2,78,600</b>	<b>3,96,238</b>	<b>1,34,81,082</b>

## VI. 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)
<b>A. Company</b>					
Penalty	Nil	-	Not Applicable	-	-
Punishment	Nil	-	Not Applicable	-	-
Compounding	Nil	-	Not Applicable	-	-
<b>B. Directors</b>					
Penalty	Nil	-	Not Applicable	-	-
Punishment	Nil	-	Not Applicable	-	-
Compounding	Nil	-	Not Applicable	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	-	Not Applicable	-	-
Punishment	Nil	-	Not Applicable	-	-
Compounding	Nil	-	Not Applicable	-	-

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

“Annexure B”

FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017**

To,  
The Members  
KESAR TERMINALS & INFRASTRUCTURE LIMITED  
Oriental House, 7, Jamshedji Tata Road,  
Churchgate, Mumbai- 400 020.

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 : L45203MH2008PLC178061)** (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 company’s 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, 2016 to 31st March, 2017** (“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, 2016 to 31st March, 2017** 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 during the Audit period);
- 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, 2015
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014- **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, 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, 1998- **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

# Annual Report 2016-2017

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, 1908
2. The Manufacture, Storage & Import of Hazardous Chemicals Rules, 1989
3. Major Port Trusts Act, 1963
4. Workmen's Compensation Act, 1923
5. Merchant Shipping Act, 1983
6. Factories Act, 1948
7. Industrial Disputes Act, 1947
8. 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) The Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

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

During the audit period, the Company has undertaken following events/actions having a major bearing on the Company's affair in pursuance of the above referred laws, rules, regulations, guidelines, standard etc., which were approved by members at the Annual General meeting held on 3rd August 2016.

- a) Appointment of Shri Rohan Harsh Kilachand as Whole Time Director of the Company.
- b) Sub-Division of Equity Shares of the Company having a face value of Rs.10 per share into 2 Equity Shares having a face value of Rs.5 each.
- c) Company has issued Bonus Shares in the ratio of 1:25.

**For Ragini Chokshi & Co.**  
**(Company Secretaries)**

**Makarand Patwardhan**  
(Partner)

C.P. No. 9031/ACS No. 11872

Place: Mumbai  
Date: 30/05/2017

**Annexure "C"****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. 20.05 crore
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above): Rs.0.40 crore approx
5. Details of CSR spent during the financial year
  - (a) Total amount to be spent for the financial year : Rs.0.40 crore approx
  - (b) Amount unspent, if any: 0.47 crore
  - (c) Manner in which the amount spent during the financial year is detailed below:

<b>CSR expenses during the financial year 2016 -17</b>	<b>Amount (In Rs.)</b>
Community Development	2,00,000 /-
Child and Women Development	3,00,000 /-
<b>TOTAL</b>	<b>5,00,000 /-</b>

6. The Company for the financial year 2016-17 had spent Rs. 5 Lakhs for the CSR Activities. The balance amount of Rs.0.82 crore approx is lying unspent. The Committee at its meeting held on 27.3.2017 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.0.82 crore would be spent during the next financial year 2017-18 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  
30th May, 2017



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## Annexure “D”

**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	<b>Executive Directors:</b> Shri H R Kilachand, (up to 29/04/2016) Shri R H Kilachand	 0.52:1 5.38:1
		<b>Non Executive Directors:</b> Smt. M H Kilachand: Shri J K Devgupta	 0.26:1 0.23:1
2.	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	<b>Executive Directors:</b> Shri H R Kilachand, (up to 29/04/2016) Shri R H Kilachand <b>Non Executive Directors:</b> Shri A S Ruia: Smt. M H Kilachand: Shri J N Godbole: Shri R S Loona: Shri J K Devgupta <b>Key Managerial Personnel:</b> CEO (up to 21/10/2016): CFO: CS:	<b>% Increase</b>  Nil Nil  Nil Nil Nil Nil Nil Nil Nil 8 % Nil
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 3%	
4.	The number of permanent employees on the rolls of the Company	There were 63 permanent employees on the rolls of the Company as on March 31, 2017	
5.	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 10.33%, whereas average percentile increase in salaries of Managerial Personnel during the year under review was 8%.	
6.	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

**A S RUIA**  
CHAIRMAN  
DIN: 00296622

Mumbai  
30th May, 2017

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### BULK LIQUID STORAGE SCENARIO

Kesar Terminals & Infrastructure Limited plays a key role for storage and transshipment for handling the requirements of importers and exporters of bulk liquid commodities, such as petroleum products, castor oil, chemicals, crude oil, petrochemicals, vegetable oils etc. Our independent tank terminal network is responsible in bringing our customer's product from the production plant or feedstock production sites via tank terminals to end-user locations respectively as they transit through ports. This bulk liquid storage and handling industry works closely with the other service providers engaged by customers and acts as a logistics partner for both primary manufacturers and downstream units in various industries, such as petrochemicals, chemicals, synthetic fiber manufacturing, edible / non-edible vegetable oil refinery, power generation, food processing, pharmaceuticals etc.

The market potential for liquid storage space is increasing in India amid at increasing traffic and limited existing capacities. Currently, the utilization of commercial tank farms in India is between 75% and 80% in FY13. During 2014-15 imports of petroleum products registered an increase of 22.16%. The demand for petroleum products is expected to grow at around 4.6% during 2013-14 to 2018-19 which will be primarily because of a 10% compound annual growth rate (CAGR) increase in naphtha demand due to the commissioning of petrochemical and polyester capacities. As per National Council of Applied Economic Research estimates, the total demand of edible oil in 2020 would be 23.10 MMT. The domestic supply of edible oil would be able to cater to only 40% of the demand, leaving the remaining 60% to be catered through imports. The additional Volumes will be available to private bulk liquid terminalling companies like KTIL for storage & handling.

A 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.

### INDUSTRY STRUCTURE & DEVELOPMENT

The growth in volume of the Global Trade is expected to remain sluggish in the Year 2016 at 2.8%. It will be the fifth consecutive year of trade growth below 3%. But the demand for imported goods in the developing Asian economies is expected to improve and the Global trade is likely to grow at 3.6% in the Year 2017.

Indian chemical industry has been growing at 10-15% per annum over the past few years. Rising chemical exports is a significant contributor to this growth. At the same time, imports for certain chemical products, in which India is traditionally deficit, have increased with rising demand from growing domestic end-use sectors. The current liquid chemical handling infrastructure and performance at ports highlights a clear need for better planning and a more supportive policy framework. Ports with major liquid chemical traffic such as JNPT (6.9 lakh tonnes) and Kandla (56 lakh tonnes) have liquid chemical storage capacities of 7.4 lakh and 8.4 lakh KL, respectively.

Going ahead, 'chemicals' will be among the key cargo types in terms of attractiveness and ports must align their capabilities to leverage this opportunity and chemical trade volumes are set to grow at a fast pace. Increasing volumes will merit a shift from containerized movement to bulk, increasing the burden on Indian ports. As Indian ports gear up for handling increased chemical volumes expected in the future, there is a need for a focused effort on better planning, infrastructure up-gradation, policy reforms and SHE awareness & training. Amendment in the CRZ law too is critical for reducing capital requirement and operating costs of tank farms.

Indian ports are faced with the challenge of above-optimum capacity utilization because of capacity mismatch and inadequate port infrastructure. Liquid bulk capacity utilization at Indian ports stands at 90-95%, this is much higher compared to international average of 70-75% which is considered to be ideal. While bulk liquids comprise 40% of cargo traffic, only 18% of berths are dedicated for handling them. This results in higher turnaround times and longer waiting period for berthing at ports. A comparison of Indian ports with global ports on key parameters such as draft depth, productivity and pipelines indicates inadequate focus and planning for liquid bulk handling infrastructure at ports.

Despite a coastline of almost 7,500 Km (1.3 times that of Europe), coastal shipping handles only 7% of local freight as compared to 43% in European Union. However, majority of liquids are transported by roads in India. Like coastal shipping, the potential of Inland Water Transport (IWT) is yet to be fully harnessed. Similarly, there is inadequate stock of dedicated wagons for handling bulk chemicals. As a result, most of the liquid bulk is transported by road although it is not the safest or preferred transportation mode.

Regulatory restrictions are also leading to an increase in overall turnaround time and decrease in productivity at Indian ports and regulatory risks always remain a major concern. However, the introduction of Goods and service tax (GST) is assumed to have a positive impact on our Company as well on our subsidiary company, Kesar Multimodal Logistics Limited, as it is a colligation of multiple taxes levied by both Central (i.e., excise duty, countervailing duty and service

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tax) and state (Value-added tax, Octroi and entry tax, luxury tax, etc) governments when an end-user purchases goods or services, It means the same level of taxation would be charged on a specific product or service across the entire country irrespective of being manufactured and sold in different states.

This dual GST model (central GST and state GST) will replace around 29 state and federal taxes and tariffs for a single tax at the point of sale. Presently, the combined Centre and State statutory rate for most goods works out to 26.5% (Cenvat of 14%, and VAT of 12.5%), whereas post GST implementation the same will be reduced to standard rate of about 18-21% which will be levied on most goods and all services. Deliberating on a holistic view, the implementation of GST would help the logistics industry in improving operational efficiency by cutting the logistics cost and expanding business prospects through consolidation of logistics players.

## OPPORTUNITIES & THREATS

As energy consumption increases in India, growth in demand is likely to require sophisticated and safe logistics services. Deregulation of the oil sector will lead to new entrants in the petroleum retailing and bulk marketing requiring the need for integrated logistics services.

The Indian economy is a net importer of almost all forms of energy. This fact, coupled with the country's growing energy demand, has intensified the need for actively seeking private participation in the energy chain to bring in the required investment and technologies. There is therefore a huge potential for the expansion of pipelines, transportation and infrastructure.

The main threat to the port based liquid terminal business arises from changes to government policies on coastal regulations and inadequate port infrastructure

The Company has plans to create facilities at 2 other ports viz. Kakinada in Andhra Pradesh and Pipavav in Gujarat. The increasing importance of new private ports in India will continue to challenge the dominance of older, less efficient ports. As importers and exporters face ever increasing cost pressures, those ports which have made investments in infrastructure will benefit from the increase in traffic arising from India's imports and exports of oil products, chemicals and liquefied gases.

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, 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 construction of the 1st Phase of the Project is successfully completed within 3 years as per the Concession Agreement with Mandi Board of Government of Madhya Pradesh. The facilities at the Hub are to be developed in 2 phases. The Private Freight Terminal of the project became operational on 19.04.2016. Since then KMLL handled 90 rakes till 31.03.2017. The Inland Container Depot [ICD] of KMLL obtained all permissions including posting of Customs Officials and Electronic Data Inter-phase (EDI) connectivity with Customs for processing of Import/Export cargo documents. The Cold Storage is being patronized by local fruit and vegetable vendors and traders for storing of seed potatoes, potatoes, coriander seeds, chickpeas, fruits etc.

## 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.4428.29 lakh as against Rs.4446.07 last year. The profit after tax showed an increase of 8.46% from Rs.1553.98 last year to Rs.1685.51 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 risks, 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. Additional tankage capacities that have come up in recent years at neighboring ports and at Dahej, Hazira and Pipavav are bound to impact bottom lines in the near future, which can be offset by creating additional facilities at other locations such as Kakinada & Pipavav as mentioned above.

## 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.

## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

The Company has an internal Audit Cell and has also appointed an Internal Auditor [External]. All operating parameters are well defined and monitored periodically. The detailed internal audit reports are discussed at length at various levels and thereafter the said reports are also placed before the Audit Committee for review and discussion. Further, the Company has an Independent Internal Auditor [External] M/s Ashok Jayesh & Associates to check the Internal Audit functions of the Company.

### **FINANCIAL PERFORMANCE**

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

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

The Company firmly believes that talented and enterprising 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 63 people as at 31.3.2017.

### **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. This report contains forward looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. 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. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

# Annual Report 2016-2017

## 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 1.4.2016 to 31.3.2017, the last Annual General Meeting held on 13.8.2016 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 8 Board Meetings	Out of 4 Audit Committee Meetings	Nomination & Remuneration Committee Meeting	Sitting Fees paid (in Rs.)	Last AGM	Other Director ships#	Committee Member-ships	Chairman-ships
Shri H R Kilachand Executive Chairman [Promoter Director upto 29.4.2016]	468799	NA	NA	N.A	--	Yes	1	1	1
Shri R H Kilachand Executive Chairman	275302	8	4	1	--	Yes	1	1	0
Smt. M H Kilachand Non-Executive Promoter Director	640348	6	N.A	1	1,60,000	Yes	1	-	-
Shri A S Ruia Independent Director	1456	8	4	2	3,20,000	Yes	3	1	2
Shri J N Godbole Independent Director	Nil	8	4	2	3,60,000	Yes	8	7	3
Shri R S Loona Independent Director (DIN: 02305074 )	Nil	7	4	2	3,40,000	Yes	3	3	2
Shri J K Devgupta Non-Executive Director (DIN: 00515391)	291	5	N.A	N.A	1,40,000	Yes	-	-	-

## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

# 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 have 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:**

<b>Name of the Director</b>	<b>Shri J K Devgupta</b>
Date of Birth	22.05.1946
Date of Appointment on the Board	22.05.2014
Qualification	B.Tech from IIT Kharagpur
Expertise in specific functional areas	He has over 4 years of varied Industrial Experience involving Marketing, technical services, manufacturing, supply & distribution, import & export and shipping. He has been associated with Companies like Mahindra Tractors, Indian Oil Corporation etc.
Relationships between directors inter-se	--
Number of Shares held in the Company	291
List of Directorship held in other Companies.	Kesar Multimodal Logistics Ltd.

### **Board Meetings held and the dates thereof:**

During the year, 8 Board Meetings were held on 29.04.2016, 30.05.2016, 24.06.2016, 01.07.2016, 03.08.2016, 16.08.2016, 14.11.2016 & 02.02.2017. 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 detail of Familiarization Programme imparted to Independent Directors is disclosed on the website of the Company viz. [www.kesarinfra.com](http://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:



# Annual Report 2016-2017

- 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 utilization 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
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 system.
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 30.05.2016, 03.08.2016, 14.11.2016 & 02.02.2017 with a 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, the 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. Two meetings of the Committee were held on 20.04.2016 & 14.11.2016.

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.

# Annual Report 2016-2017

## 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 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 (upto 29.04.2017)	1,39,200	-	1,73,756	-	-	3,12,956
R H Kilachand (w.e.f 29.04.2017)	16,37,211	-	16,14,545	-	-	32,51,756

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	3,20,000	Nil	3,20,000
Smt. M H Kilachand	1,40,000	Nil	1,40,000
Shri J N Godbole	3,60,000	Nil	3,60,000
Shri R S Loona	3,40,000	Nil	3,40,000
Shri J K Devgupta	1,20,000	Nil	1,20,000

## 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. R. H. Kilachand, Executive Chairman, Shri .Alok Singh Company Secretary (from 14.11.2016) & Shri Vipul J. Doshi, CFO. There were eleven meetings held during the year ended March 31, 2017. The number of pending share transfers as on March 31, 2017 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 :-

1. Shri A S Ruia – Chairman
2. Shri R S Loona
3. 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 into :-

## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

- (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 31.3.2017 the Committee met once on 24.3.2017.

During the year ended 31st March, 2017, the Company had received one complaint / grievance from its Shareholder, which was duly resolved to the satisfaction of the shareholder and none of them were pending as on 31.3.2017.

### **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:

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Composition</b>
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, 2 meetings of CSR Committee was held on 30.05.2016 and 27.3.2017, 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 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:

<b>AGM</b>	<b>Financial Year ended</b>	<b>Date</b>	<b>Location</b>	<b>Time</b>
AGM	31.3.2016	03.08.2016	M. C. Ghia Hall	3:30 p.m
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

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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
03.08.2016	Appointment of Shri R H Kilachand as Whole-Time Director Issue of Bonus Shares & sub-division of Equity Shares Alteration of Capital Clause for Sub-Division of the face value of the Equity Shares of the Company of Rs.10/- per share to Rs. 5/- per share Resolution u/s.188 approving Related party transactions up to an amount not exceeding Rs.79 crore from 1.4.2014 to 31.03.2016
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.

## 10. Disclosures:

- All transactions entered into during the financial year 2016-2017 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.
- 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.
- 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.
- 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 2016-2017, 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@kesarindia.com](mailto:headoffice@kesarindia.com) Tel: 022-22851737

- 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.
- 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.

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## 11. Means of communication:

The Board takes on record the Unaudited Quarterly Financial Results and the Audited Financial Results in the prescribed format of the stock exchange and forthwith fax and 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.

## 12. General Shareholders information:

a.	Registered Office	:	Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai-400020.
b.	Plant Locations	:	Terminals I & II at Kandla, Gujarat.
c.	<b>Annual General Meeting</b>		
	Date	:	<b>12<sup>th</sup> September 2017.</b>
	Time	:	<b>3:30 p.m.</b>
	Venue	:	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001.
d.	Financial Year		2016-2017
e.	Next Financial Year ending	:	31st March, 2018
f.	Next Annual General Meeting		By 30th September, 2018
g.	<u>Financial Reporting for the year 2017-18</u> For 1st quarter ending 30th June, 2017 For 2nd quarter ending 30th September, 2017 For 3rd quarter ending 31st December, 2017 For 4th quarter ending 31st March, 2018	: : : :	By 14th September, 2017 By 14th December, 2017 By 14th February, 2018 By 30th May, 2018
h.	Date of Book Closure	:	<b>Tuesday, 5th September, 2017 to Tuesday, 12th September, 2017 (both days inclusive)</b>
	Dividend Payment Date		The Dividend, shall be paid on <b>Thursday, 21<sup>st</sup> September, 2017</b>
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 2017-2018.
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:

<b>M/s. Sharex Dynamic (India) Pvt. Ltd.</b>	<b>Kesar Terminals &amp; Infrastructure Limited.</b>
<b>Registrar &amp; Share Transfer Agents</b> 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: aloksingh@kesarindia.com

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## Share Transfer System:

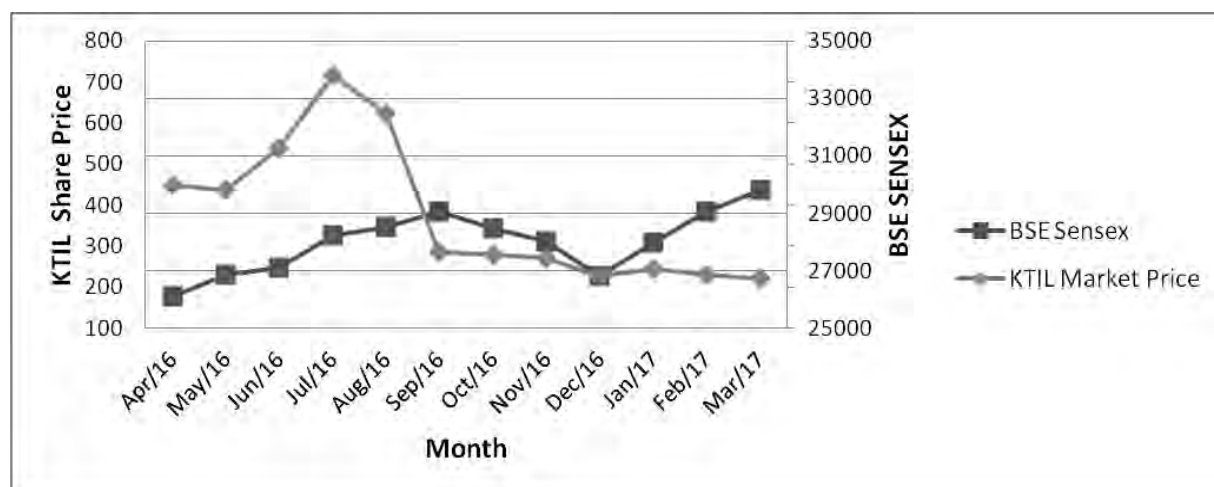
The shares sent for transfer are registered and returned within the time limits. Pursuant to the SEBI (LODR) Regulations 2015 certificates on half yearly basis, have been received from a Company Secretary in Practice for due compliance of share transfer formalities by the Company. Pursuant to the SEBI (Depositories and Participants) Regulation, 1996, certificates have also been received from the Company Secretary in Practice for dematerialization of the shares of the Company and for conducting of Reconciliation of Share Capital Audit of the Company.

## 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 2016	448.9	370.2	447.95	373.15
May 2016	437	382	435	381.15
June 2016	538	410	539	404.5
July 2016	715	493	717	491.05
August 2016	623	220	623.8	221.95
September 2016	284.8	236	286	235
October 2016	278	227.05	279.85	228.5
November 2016	271	192.2	275	191.1
December 2016	225.55	196.5	228	195.4
January 2017	242.95	191.1	244	196.1
February 2017	229	199.8	229.85	199
March 2017	222	182.1	225	183.6

Performance of the share Price of the Company in comparison to the BSE Sensex





# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## Distribution of shareholding as on 31st March, 2017:

Shareholding in Nominal Value of	Share Holders		Share Amount	
Rs.	No.	% of Holders	In Rs.	% to Total
Upto - 5,000	6863	91.73	5967195	10.92
5,001 -10,000	334	4.46	2317695	4.24
10,001 - 20,000	145	1.94	1958895	3.59
20,001 - 30,000	46	0.61	1099530	2.01
30,001 - 40,000	27	0.36	938090	1.72
40,001 - 50,000	13	0.17	596085	1.09
50,001 - 1,00,000	26	0.35	1715075	3.14
1,00,001 - and above	28	0.37	40039810	73.29
<b>Total</b>	<b>7482</b>	<b>100</b>	<b>54632375</b>	<b>100</b>

## Categories of Shareholders as on 31st March, 2017:

About 95.80% of the total shareholding in the Company representing 1,04,68,299 shares are held in dematerialized form.

	Category of Shareholder	No of Shares Held	No of Shares in Demat Form	%
<b>A.</b>	<b>Promoter &amp; its Group - Indian</b>			
<b>1.</b>	Individual / HUF	1820426	1820426	16.661
	Bodies Corporate	4727245	4727245	43.264
	<b>Total Shareholding Promoter &amp; Group Total (A)</b>	<b>6547671</b>	<b>3088734</b>	<b>59.925</b>
<b>B.1</b>	<b>Public Shareholding – Institutions</b>			
a	Mutual Funds	145	145	0.001
b	Financial Institutions / Banks	23785	776	0.024
c	Foreign Portfolio Investors	52982	52982	0.485
d	Venture Capital Fund	0	0	0.0
e	Insurance Companies	527196	527196	4.825
	<b>Sub-Total-B(I)</b>	<b>604108</b>	<b>602955</b>	<b>5.529</b>
<b>B.2</b>	<b>Non-Institutions</b>			
a	Individual Shareholders(share capital up to Rs. 2 lakhs.)	2649522	2317919	24.249
b	Individual Shareholders share capital above Rs. 2 lakhs.)	151265	151265	1.384
c	Others - Clearing Members	973909	971599	8.913
	<b>Sub-Total-B(2)</b>	<b>1845646</b>	<b>1669488</b>	<b>35.134</b>
e	<b>Total (B)=B(1)+B(2)</b>	<b>4378804</b>	<b>4043738</b>	<b>40.075</b>
	<b>Total (A+B)</b>	<b>10926475</b>	<b>10468299</b>	<b>100.00</b>

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:-

# Annual Report 2016-2017

- a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
  - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
  - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more Shareholders.
4. Any 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 encased 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
03.08.2016	2015-2016	Final@10%	03.10.2023

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 Member's  
**KESAR TERMINALS & INFRASTRUCTURE LIMITED.**

We have examined the compliance of conditions of Corporate Governance by **KESAR TERMINALS & INFRASTRUCTURE LIMITED**, for the year ended March 31, 2017, 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 Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

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.**  
**(Company Secretaries)**

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

**Place:** Mumbai  
**Date :** 30.05.2017

# Annual Report 2016-2017

## 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

Mumbai  
30th May, 2017

**AS RUIA**  
CHAIRMAN  
DIN: 00296622

## 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.

**AS Ruia**  
Chairman  
DIN: 00296622

**V J Doshi**  
Chief Financial Officer

Mumbai  
30th May, 2017

## 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, 2017, 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, 2017, 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 purposes of our audit;
  - 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;

# Annual Report 2016-2017

- 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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.
  - (iv) The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the Management (Refer Note No. 37 to the financial statements);

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

**Sumant Sakhardande**

Partner

Place: Mumbai

Date: May 30, 2017

Membership No. 034828

## 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, 2017]

- (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 the details given below:

Land	Total number of cases	Leasehold/ Freehold	Gross Block as on March 31, 2017	Net Block as on March 31, 2017
Land	3	Leasehold	2,393,902	NIL

The Leasehold land stands transferred from Kesar Enterprises Limited to the Company as per the scheme of demerger sanctioned by Hon'ble High Court of Bombay. Kandla Port Trust has raised a demand towards

## KESAR TERMINALS & INFRASTRUCTURE LIMITED

transfer fees for which Company has filed a writ petition with Hon'ble High Court of Gujarat. Refer Note no. 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.
- (iii) As informed, the Company has not granted, unsecured interest free loan during the year to the Subsidiary Company covered in the register maintained under Section 189 of the Act.
  - (a) In respect of the loan granted in previous year, In our opinion and according to the information and explanations given to us, the terms and conditions are not prejudicial to the interest of the Company.
  - (b) The said 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 of India 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 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
Income Tax Act, 1961	Income Tax	1,561,034	Assessment Year 2014 – 15	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.
- (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) As per 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.



# Annual Report 2016-2017

- (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 / W100048

**Sumant Sakhardande**

Partner

Place: Mumbai

Date: May 30, 2017

Membership No. 034828

## 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, 2017]

### **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, 2017 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.

#### **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.

## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

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, 2017, 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 / W100048

**Sumant Sakhardande**

Partner

Membership No. 034828

Place: Mumbai

Date: May 30, 2017

# Annual Report 2016-2017

## BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	(in ₹)	
		As at 31st March 2017	As at 31st March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	3	54,632,375	52,531,130
(b) Reserves and Surplus	4	825,293,931	658,844,570
<b>2 Non-current liabilities</b>			
(a) Long Term Borrowings	5	117,056,691	87,574,461
(b) Deferred tax liabilities (Net)	6	35,783,257	32,361,490
(c) Long Term Provisions	7	6,533,040	5,877,855
<b>3 Current liabilities</b>			
(a) Trade payables	8		
(i) Outstanding Dues of Micro and Small Enterprises		-	-
(ii) Outstanding Dues of Creditors other than Micro and Small Enterprises		32,978,067	25,093,949
(b) Other Current Liabilities	9	102,069,605	118,916,250
(c) Short Term Provisions	10	94,933,202	70,144,932
<b>TOTAL</b>		<b>1,269,280,168</b>	<b>1,051,344,637</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed Assets	11		
(i) Property, plant and equipment		308,986,334	287,604,059
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		832,752	26,283,233
(b) Non Current Investments	12	679,655,000	514,155,000
(c) Long Term Loans and Advances	13	157,716,593	157,732,582
(d) Other Non- Current Assets	14	4,218,195	5,829,935
<b>2 Current assets</b>			
(a) Inventories	15	1,156,787	1,022,810
(b) Trade Receivables	16	48,749,026	43,507,866
(c) Cash and Bank Balances	17	63,963,516	12,444,057
(d) Short Term Loans and Advances	18	3,599,574	2,492,554
(e) Other Current Assets	19	402,391	272,541
<b>TOTAL</b>		<b>1,269,280,168</b>	<b>1,051,344,637</b>
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 / W100048**

**Sumant Sakhardande**

**Partner**

**Membership No. 034828**

**Place: Mumbai**

**Date: 30th May, 2017**

**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**

**Alok Singh**

**Company Secretary**

**Place: Mumbai**

**Date: 30th May, 2017**

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I. Revenue From Operations	20	439,026,256	439,682,814
II. Other Income	21	3,802,985	4,924,946
III. Total Revenue (I + II)		442,829,241	444,607,760
IV. Expenses:			
Employee benefits expense	22	80,127,682	79,792,313
Finance Cost	23	23,969,733	27,557,290
Depreciation and amortization expense	11	17,755,432	19,443,733
Other expenses	24	92,161,157	96,261,407
Total Expenses		214,014,004	223,054,743
V. Profit before Exceptional items & Tax (III-IV)		228,815,237	221,553,017
VI. Excess depreciation of earlier years	11	12,072,762	-
VII. Profit before tax (V-VI)		240,887,999	221,553,017
VIII. Tax Expense:			
(a) Current tax [including prior year tax provision written back ₹ 11,404,374 (Previous year ₹ 9,801,482)]		68,915,626	66,318,518
(b) Deferred tax		3,421,767	(163,837)
IX. Profit for the year (VII-VIII)		168,550,606	155,398,336
X. Basic & Diluted Earnings per equity share [Nominal value of shares ₹ 5]	38	15.43	14.22
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 / W100048**

**Sumant Sakhardande**

**Partner**

**Membership No. 034828**

**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**

**Alok Singh**

**Company Secretary**

**Place: Mumbai**

**Date: 30th May, 2017**

**Place: Mumbai**

**Date: 30th May, 2017**

# Annual Report 2016-2017

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

		(in ₹)
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>NET PROFIT BEFORE TAX</b>	228,815,237	221,553,017
<b>Non-cash adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation	17,755,432	19,443,733
Dividend Income	(501)	(500)
Interest Income	(775,265)	(1,105,821)
Interest and Finance Charges	23,969,733	27,557,290
Loss/ (Profit) on sale of Fixed Assets	-	(4,667)
Credit Balances Written Back	-	(19,838)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>269,764,636</b>	<b>267,423,214</b>
<b>Movements in working capital:</b>		
Decrease / (Increase) in Inventories	(133,977)	(129,753)
Decrease / (Increase) in Trade Receivables	(5,241,160)	(3,998,476)
Decrease / (Increase) in Short term Loans & Advances	(1,107,020)	108,316
Decrease / (Increase) in Long term Loans & Advances	15,990	(70,463,612)
Decrease / (Increase) in Other current assets	(2,834,552)	1,736,635
Decrease / (Increase) in Other non current assets	1,671,633	(867,189)
Increase / (Decrease) in Trade Payables	7,884,118	11,666,561
Increase / (Decrease) in Other Current Liabilities	10,828,846	10,476,757
Increase / (Decrease) in Short term Provisions (Employee benefits)	1,245,171	2,090,995
Increase / (Decrease) in Long term Provisions	655,185	934,615
<b>CASH GENERATED FROM OPERATIONS</b>	<b>282,748,870</b>	<b>218,978,063</b>
Taxes (Paid)	(40,119,415)	(41,133,396)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>242,629,455</b>	<b>177,844,667</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets including Intangible Assets & CWIP	(1,614,466)	(1,529,876)
Sale of Fixed Assets	-	307,001
Purchase of Investments	(165,500,000)	(96,400,000)
Interest Received	585,522	1,001,563
Dividend Received	501	500
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(166,528,443)</b>	<b>(96,620,812)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of Borrowings	(97,117,887)	(90,640,288)
Proceeds from Borrowings	100,100,000	49,900,000
Dividend Paid	(4,008,749)	(14,365,592)
Dividend Distribution Tax Paid	(1,069,413)	(3,742,944)
Interest Paid	(25,320,056)	(28,146,433)
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<b>(27,416,105)</b>	<b>(86,995,257)</b>
<b>NET INCREASE /( DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>48,684,907</b>	<b>(5,771,402)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>11,132,278</b>	<b>16,903,680</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>59,817,185</b>	<b>11,132,278</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS (refer note 17 (A))</b>		
Cash on Hand	39,089	409,340
With Bank on Current Account	58,357,030	8,076,823
on Deposit Account	-	1,400,000
unclaimed Dividend Account *	1,421,066	1,246,115
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>59,817,185</b>	<b>11,132,278</b>

\* 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 / W100048

Sumant Sakhardande

Partner

Membership No. 034828

Place: Mumbai

Date: 30th May, 2017

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

Alok Singh

Company Secretary

Place: Mumbai

Date: 30th May, 2017

**NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017****1 Background**

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

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

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). 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

# Annual Report 2016-2017

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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 and Buildings 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.

### **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



**NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017**

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.

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.

# Annual Report 2016-2017

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

### 3. SHARE CAPITAL

PARTICULARS	As at 31st March, 2017		As at 31st March, 2016	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of ₹ 5 each (Previous year ₹ 10 each)	25,000,000	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
<b>Issued, Subscribed &amp; Fully Paid up</b>				
Equity Shares of ₹ 5 each (Previous year ₹ 10 each)	10,926,475	54,632,375	5,253,113	52,531,130
<b>Total</b>	<b>10,926,475</b>	<b>54,632,375</b>	<b>5,253,113</b>	<b>52,531,130</b>

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

PARTICULARS	As at 31st March, 2017		As at 31st March, 2016	
	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	-	-	-	-
Allotment of Shares on account of sub division	5,253,113	-	-	-
Issue on account of Bonus Shares	420,249	2,101,245	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,926,475	54,632,375	5,253,113	52,531,130

Pursuant to the approval by the members at the Annual General Meeting held on 3rd August, 2016, the company has sub-divided the Equity Shares of Face Value of ₹ 10 each into Equity Share of the Face Value of ₹ 5 each and has allotted Bonus Equity Share of face value of ₹ 5 each in the ratio of one Equity share for every Twenty Five Equity Shares held on record date 13th August, 2016.

(b) **Terms / rights attached to Equity Shares**

- The Company has only one class of equity shares having a par value of ₹ 5 per share (previous year ₹ 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 2017, the amount of Final dividend ₹ 0.50 (for previous year ended 31st March 2016: ₹ 1.00) per Equity Share.

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

PARTICULARS	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kesar Corporation Pvt Limited	3,014,439	27.59%	1,449,250	27.59%
Kesar Enterprises Limited	1,040,000	9.52%	500,000	9.52%
M H Kilachand	640,348	5.86%	307,860	5.86%

- (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.

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

### 4. RESERVES & SURPLUS

PARTICULARS	(In ₹)	
	As at 31st March, 2017	As at 31st March, 2016
(a) <b>General Reserve</b>		
Opening Balance	299,600,000	249,600,000
(+) Transfers	-	50,000,000
(-) Capitalisation on account of Bonus shares	(2,101,245)	-
Closing Balance	<b>297,498,755</b>	<b>299,600,000</b>
(b) <b>Surplus</b>		
Opening balance	359,244,570	260,168,760
(+) Net Profit for the current year	168,550,606	155,398,336
(-) Proposed Final Dividend {Refer Note 3 (b) (ii) }	-	5,253,113
(-) Dividend Distribution Tax	-	1,069,413
(-) Transfer to Reserves	-	50,000,000
Closing Balance	<b>527,795,176</b>	<b>359,244,570</b>
<b>TOTAL</b>	<b>825,293,931</b>	<b>658,844,570</b>

### 5. LONG TERM BORROWINGS

(a) <b>Secured Borrowings</b>		
(i) <b>Term Loans From Banks</b>		
<b>Corporate Loan</b>		
<b>Term Loan I</b>	-	37,500,000
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.		
<b>Term Loan II</b>	66,666,670	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.		
<b>Term Loan III</b>	50,000,000	-
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 Apr'2018 in 48 Equal Monthly Installments. Interest is payable at 1Year MCLR of Lender Bank Plus 3.90% p.a. with monthly rest.		

# Annual Report 2016-2017

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

		(In ₹)	
PARTICULARS		As at	As at
		31st March, 2017	31st March, 2016
(ii) From others (various Finance Companies)			
Vehicle Loans		390,021	1,687,500
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		117,056,691	84,504,167
[Out of total Secured Borrowings of ₹180,854,165 (Previous Year ₹165,235,279), borrowings of ₹63,797,474 (Previous Year ₹80,731,112) having Current Maturities, have been disclosed in Note No.9]			
(b) Unsecured Borrowings			
Loans from Customers		-	3,070,294
Terms of Repayments:- Repayable in 60 Equated Monthly Installments from the date tanks are put to use and carrying simple interest @ 13% p.a.			
Total Unsecured Borrowings		-	3,070,294
[Out of total Unsecured Borrowings ₹5,123,666 (Previous Year ₹11,760,439), borrowings of ₹ 5,123,666 ( Previous Year ₹14,690,145) having Current Maturities, have been disclosed in Note No.9]			
Total		117,056,691	87,574,461
6. DEFERRED TAX LIABILITIES (NET)			
(a) Deferred Tax Liability			
Impact of difference between Tax Depreciation & Depreciation / Amortisation charged as per Companies Act.		40,201,867	35,372,888
(b) Deferred Tax Assets			
Expenses allowable on payment basis for Tax purposes		4,418,610	3,011,398
Net Deferred Tax Liability (a-b)		35,783,257	32,361,490
7. LONG TERM PROVISIONS			
Provision for employee benefits			
Leave Encashment (unfunded)		6,533,040	5,877,855
Total		6,533,040	5,877,855

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

PARTICULARS	(In ₹)	
	As at 31st March, 2017	As at 31st March, 2016
<b>8. TRADE PAYABLES</b>		
Total outstanding Dues to Micro and Small Enterprises (refer note no. 36)	-	-
Total outstanding Dues of Creditors other than Micro and Small Enterprises	32,978,067	25,093,949
<b>Total</b>	<b>32,978,067</b>	<b>25,093,949</b>
<b>9. OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of long-term debt		
(i) Current maturities of long-term debt - secured borrowings (refer note no. 5)	63,797,474	80,731,112
(ii) Current maturities of long-term debt - unsecured borrowings (refer note no. 5)	5,123,666	14,690,145
(b) Interest accrued but not due on borrowings	1,733,277	3,083,600
(c) Advance from Customer	1,217,261	1,055,466
(d) Unclaimed dividends	1,421,066	1,246,115
(e) Payable to Related Party	7,384,783	6,585,387
(f) Statutory Dues	12,464,058	5,685,158
(g) Payables -(For other contractual obligations)	4,269,375	5,010,846
(h) Payables -(For Capital Goods)	218,468	-
(i) Outstanding Liabilities for expenses	4,440,178	828,421
<b>Total</b>	<b>102,069,605</b>	<b>118,916,250</b>
<b>10. SHORT TERM PROVISIONS</b>		
(a) Provision for employee benefits		
(i) Gratuity (Funded) {refer note no. 30}	3,685,272	2,325,271
(ii) Leave Encashment (Unfunded)	2,046,566	2,161,396
(b) Others		
(i) Provision for Income Tax	89,201,364	59,335,739
[Net of Advance Income Tax of ₹ 140,799,670 (Previous Year ₹ 142,719,605)]		
(ii) Proposed Final Dividend	-	5,253,113
(iii) Dividend Distribution Tax	-	1,069,413
<b>Total</b>	<b>94,933,202</b>	<b>70,144,932</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### NOTE 11 FIXED ASSETS (Owned, unless stated otherwise)

(In ₹)

Particulars	Gross Block			Accumulated Depreciation		Net Block
	Balance as at 1st April, 2016	Additions	Disposals	Balance as at 1st April, 2016	On Disposal/ Adjustment 31st March, 2017	
<b>Tangible Assets</b>						
(a) Land						
(i) Free Hold Land	49,831,576	-	-	-	-	49,831,576
(2) Lease Hold Land	1,826,902	25,868,949	-	843,182	2,634,492	25,061,359
(3) Lease Hold Land Premium	567,000	-	-	11,017	567,000	-
	<b>52,225,478</b>	<b>25,868,949</b>	<b>-</b>	<b>854,199</b>	<b>3,201,492</b>	<b>74,892,935</b>
(ii) Buildings (on Leased Land)	54,762,099	-	-	2,734,039	12,072,762	30,963,646
(iii) Plant and Equipment	483,459,978	797,541	-	11,190,995	-	196,603,401
(iv) Furniture and Fixtures	7,033,123	158,250	-	639,740	-	1,664,605
(v) Office Equipments	7,683,118	240,207	-	640,258	-	1,329,005
(vi) Vehicles	15,858,711	-	-	1,696,202	-	3,532,743
<b>Total</b>	<b>621,022,507</b>	<b>27,064,947</b>	<b>-</b>	<b>17,755,433</b>	<b>12,072,762</b>	<b>308,986,334</b>
<b>Intangible Assets</b>						
Computer software	1,422,578	-	-	-	1,422,578	-
<b>Total</b>	<b>1,422,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,422,578</b>	<b>-</b>
<b>Total (a+b)</b>	<b>622,445,085</b>	<b>27,064,947</b>	<b>-</b>	<b>17,755,433</b>	<b>12,072,762</b>	<b>308,986,334</b>
Capital Work In Progress (Refer Note No 27)	26,283,233	418,468	25,868,949	-	-	832,752
<b>Total (a+b+c)</b>	<b>648,728,318</b>	<b>27,483,415</b>	<b>25,868,949</b>	<b>17,755,433</b>	<b>12,072,762</b>	<b>309,819,086</b>

Note : The method of depreciation on Buildings has been changed from WDV (Written Down Value) to SLM (Straight Line Method) resulted in lower depreciation by ₹12,072,762 shown as disposal/adjustment under accumulated depreciation (refer Note no.40)

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 11 FIXED ASSETS (Owned, unless stated otherwise) (FOR THE YEAR ENDED 31ST MARCH, 2016)

(In ₹)

Particulars	Gross Block			Accumulated Depreciation			Net Block
	Balance as at 1st April, 2015	Additions	Disposals	Balance as at 31st Mar, 2016	Balance as at 1st April, 2015	Depreciation / amortization charge for the year	Balance as at 31st Mar, 2016
<b>Tangible Assets</b>							
(a)							
(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	1,730,531	60,779	35,592
(3) Lease Hold Land Premium	567,000	-	-	567,000	537,105	18,878	11,017
	<b>52,225,478</b>	<b>-</b>	<b>-</b>	<b>52,225,478</b>	<b>2,267,636</b>	<b>79,657</b>	<b>49,878,185</b>
(ii)							
Buildings (on Leased Land)	54,762,099	-	-	54,762,099	29,484,334	3,652,842	21,624,923
(iii)							
Plant and Equipment	482,292,598	1,173,230	5,850	483,459,978	265,340,223	11,128,457	206,996,855
(iv)							
Furniture and Fixtures	6,964,749	68,374	-	7,033,123	4,052,245	834,783	2,146,095
(v)							
Office Equipments	7,539,953	205,522	62,357	7,683,118	4,885,514	1,122,421	1,729,056
(vi)							
Vehicles	18,099,170	-	2,240,459	15,858,711	9,954,895	2,621,773	5,228,945
<b>Total</b>	<b>621,884,047</b>	<b>1,447,126</b>	<b>2,308,666</b>	<b>621,022,507</b>	<b>315,984,847</b>	<b>19,439,933</b>	<b>287,604,059</b>
(b)							
Intangible Assets							
Computer software	1,422,578	-	-	1,422,578	1,418,778	3,800	-
<b>Total</b>	<b>1,422,578</b>	<b>-</b>	<b>-</b>	<b>1,422,578</b>	<b>1,418,778</b>	<b>3,800</b>	<b>-</b>
<b>Total (a+b)</b>	<b>623,306,625</b>	<b>1,447,126</b>	<b>2,308,666</b>	<b>622,445,085</b>	<b>317,403,625</b>	<b>19,443,733</b>	<b>287,604,059</b>
(c)							
Capital Work In Progress (Refer Note No 27)	26,200,483	82,750	-	26,283,233	-	-	26,283,233
<b>Total (a+b+c)</b>	<b>649,507,108</b>	<b>1,529,876</b>	<b>2,308,666</b>	<b>648,728,318</b>	<b>317,403,625</b>	<b>19,443,733</b>	<b>313,887,292</b>



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## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

### 12. NON CURRENT-INVESTMENTS

(In ₹)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
<b>Trade Investments (valued at cost)</b>		
<b>Unquoted Equity Instruments</b>		
(a) <b>Investment in Subsidiary Company</b>		
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		
26,190,000 Zero Coupon Redeemable Preference Shares (Previous Year 9,640,000 Zero Coupon Redeemable Preference Shares) of ₹ 10 each fully paid in Kesar Multimodal Logistics Ltd.	261,900,000	96,400,000
Extent of Holding:- 100% (Previous Year 100%) of total issued and paid up Zero Coupon Redeemable Preference Share Capital of Kesar Multimodal Logistics Limited		
<b>Other Investments (valued at cost)</b>		
<b>Investments in Equity Instruments ( Unquoted)</b>		
200 Shares of ₹ 25 each fully paid in Jain Sahakari Bank Ltd (Previous year 200 Shares of ₹ 25 each )	5,000	5,000
{Aggregate amount of Unquoted Investments is ₹ 679,655,000 (Previous Year ₹ 514,155,000)}		
<b>Total</b>	<b>679,655,000</b>	<b>514,155,000</b>

### 13. LONG TERM LOANS AND ADVANCES

#### Unsecured, Considered good

(a) Security Deposits	2,290,393	2,300,812
(b) Loans and Advances to Employees	26,200	31,770
(c) Advance to Subsidiary Company	155,400,000	155,400,000
<b>Total</b>	<b>157,716,593</b>	<b>157,732,582</b>

### 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)	3,543,236	5,214,869
(b) Interest accrued on Deposits	674,959	610,312
(c) Interest accrued on staff loan	-	4,754
<b>Total</b>	<b>4,218,195</b>	<b>5,829,935</b>

### 15. INVENTORIES

#### Stores and spares

(Valued at Lower of Cost and Net Realisable Value)	1,156,787	1,022,810
<b>Total</b>	<b>1,156,787</b>	<b>1,022,810</b>

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

### 16. TRADE RECEIVABLES

(In ₹)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
<b>Unsecured, Considered good</b>		
(a) Outstanding for a period exceeding six months from the date they are due	-	32,973
(b) Others	48,749,026	43,474,893
<b>Total</b>	<b>48,749,026</b>	<b>43,507,866</b>

### 17. CASH AND BANK BALANCES

#### A. Cash and Cash Equivalents

(a) Balance with Banks		
(i) on Current Accounts	58,357,030	8,076,823
(ii) on unclaimed Dividend Accounts	1,421,066	1,246,115
(iii) on Fixed Deposits Accounts with original maturity of less than 3 months	-	1,400,000
(b) Cash on hand	39,089	409,340

#### B. Other Bank Balances

Fixed Deposits with original maturity of more than 3 months but less than 12 months	4,146,331	1,311,779
<b>Total</b>	<b>63,963,516</b>	<b>12,444,057</b>

### 18. SHORT TERM LOANS AND ADVANCES

#### Unsecured, Considered good

#### Others

(a) Prepaid expenses	2,165,247	1,014,408
(b) Service Tax Receivable	1,153,966	1,222,325
(c) Loans and Advances to Employees	130,970	184,494
(d) Other advances recoverable in cash or kind	149,391	71,327
<b>Total</b>	<b>3,599,574</b>	<b>2,492,554</b>

### 19. OTHER CURRENT ASSETS

#### Unsecured , Considered Good

(a) Interest accrued on staff loans	4,754	64,762
(b) Interest accrued on Deposits	397,637	207,779
<b>Total</b>	<b>402,391</b>	<b>272,541</b>

# Annual Report 2016-2017

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

### 20. REVENUE FROM OPERATIONS

(In ₹)

PARTICULARS	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Sale of Services (Income from providing storage tanks on hire/rental basis for liquid cargo and other related services)	438,448,896	439,087,752
(b) Other operating revenue (Handling charges)	577,360	595,062
<b>Total</b>	<b>439,026,256</b>	<b>439,682,814</b>

### 21. OTHER INCOME

(a) Interest on		
(i) Fixed Deposits	651,999	1,008,458
(ii) Others	123,266	97,363
(b) Dividend Income	501	500
(c) Credit Balance Written Back	-	19,838
(d) Sale of Scrap	1,371,675	3,572,407
(e) Insurance Claim Received	1,427,995	-
(f) Profit on Sale of Assets	-	4,667
(g) Miscellaneous Receipts	227,549	221,713
<b>Total</b>	<b>3,802,985</b>	<b>4,924,946</b>

### 22. EMPLOYEE BENEFIT EXPENSE

(a) Salaries and Wages	68,803,204	69,916,272
(b) Contribution to P.F. Fund	5,396,415	5,303,774
(c) Contribution to Gratuity Fund (refer note no. 30)	3,710,273	2,572,535
(d) Staff Welfare	2,217,790	1,999,732
<b>Total</b>	<b>80,127,682</b>	<b>79,792,313</b>

### 23. FINANCE COST

(a) Interest Expense	22,697,565	25,805,803
(b) Other Borrowing Costs		
(i) Finance Charges	1,250,000	1,688,251
(ii) Others including Bank Charges	22,168	63,236
<b>Total</b>	<b>23,969,733</b>	<b>27,557,290</b>

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

### 24. OTHER EXPENSES

(In ₹)

PARTICULARS	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Storage & Handling Charges	5,395,904	5,621,936
(b) Power & Fuel	8,958,102	9,201,992
(c) Rent	12,065,467	11,956,589
(d) Repairs		
(i) Plant & Machinery	33,467,495	35,017,751
(ii) Buildings	71,078	-
(iii) Others	2,153,596	2,099,090
(e) Insurance	3,015,358	1,449,069
(f) Rates & Taxes	573,267	742,640
(g) Selling agent Commission & Brokerage	-	775,427
(h) Legal & Professional Fees	3,103,308	2,777,196
(i) Directors Sitting Fees	1,320,000	1,840,000
(j) Commission to Directors	150,000	-
(k) Auditors Remuneration		
(i) Audit Fees	340,000	305,000
(ii) For Certification	210,000	195,000
(iii) Out Of Pocket Expenses	1,170	10,455
(l) Travelling Expenses	3,671,211	7,988,455
(m) CSR Expenditure u/s 135 of Companies Act, 2013 (refer note no 31)	500,000	-
(n) Miscellaneous Expenses	17,165,201	16,280,807
<b>Total</b>	<b>92,161,157</b>	<b>96,261,407</b>

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## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 25 Capital and other Commitments

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016(₹)
Other :		
Estimated amount of contracts remaining to be executed and not provided for	Nil	609,464
Loan Processing Fees for Term Loan Sanctioned	1,250,000	1,250,000
<b>Total</b>	<b>1,250,000</b>	<b>1,859,464</b>

### 26 Contingent Liabilities

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016(₹)
<b>(a) Claims against the Company not acknowledged as debts:</b>		
i) Additional demand on account of revision in rates of Lease Rent	85,843,575	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	5,342,469
iv) Additional Demand on account of Foreclosure	525,000	525,000
<b>(b) Guarantee: **</b>		
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
Bank Guarantee in favour of Commissioner of Customs, Kandla	375,000	375,000
Bank Guarantee in favour of Director General of Fire Services, Andhra Pradesh	932,886	932,886
c) Disputed liability on account of Income Tax	18,61,034	-
<b>Total</b>	<b>1,384,334,259</b>	<b>1,333,829,468</b>

\* 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 31.03.2017 is ₹ 946,301,322 (Previous Year ₹ 878,435,536) against Corporate Guarantee.

### 27 Capital Work in Progress includes

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016(₹)
<b>Preoperative Expenses</b>		
Rent	Nil	5,756,077
Other Miscellaneous Expenses	832,752	2,899,672

- 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

**NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2017**

view that the demand raised is likely to be deleted or substantially reduced and hence no provision is required to 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) - 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.

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

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)
Present Value of funded obligations	23,080,195	21,125,446
Fair Value of plan assets	19,394,923	18,800,175
Net liability /(Assets)	3,685,272	2,325,271
Amount in balance sheet Liabilities	3,685,272	2,325,271

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

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)
Current service cost	1,246,915	1,256,699
Interest on obligation	186,022	64,384
Expected return on plan assets	(1,504,014)	(1,504,086)
Net actuarial losses (gains) recognized in year	2,277,335	2,755,538
Total included in employee benefit expense	3,710,272	2,572,535

- (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 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)
Opening defined benefit obligation	21,125,446	19,605,873
Service costs	1,246,915	1,256,699
Interest costs	1,690,036	1,568,470
Actuarial losses (gains)	773,321	(252,634)
Benefits paid	(1,755,523)	(1,052,961)
Closing defined benefit obligation	23,080,195	21,125,446

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## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- (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 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)
Opening fair value of plan assets	18,800,175	18,801,080
Adjustment in funds		
Expected return on plan assets	1,504,014	1,504,086
Actuarial gains / (losses)	(1,504,014)	(1,504,086)
Contributions by employer	2,325,271	1,052,056
Benefits paid	(1,755,523)	(1,052,961)
Closing fair value of plan assets	19,394,923	18,800,175

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 31st March 2017	For the year ended 31st March 2016
Discount rate	7.27%	8.00%
Salary escalation rate	7.27%	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 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)	For the year ended 31st March 2015 (₹)	For the year ended 31st March 2014 (₹)	For the year ended 31st March 2013 (₹)
Defined benefit obligation	23,080,195	21,125,446	19,605,873	18,117,000	16,791,621
Plan assets	19,394,923	18,800,175	18,801,080	18,973,712	15,992,069
Surplus/ (deficit)	(3,685,272)	(2,325,271)	(804,793)	856,712	(799,552)



# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### (g) Experience Adjustment:

Particulars	Defined Benefit (Gratuity) Plan				
	For the year ended 31st March 2017(₹)	For the year ended 31st March 2016(₹)	For the year ended 31st March 2015(₹)	For the year ended 31st March 2014(₹)	For the year ended 31st March 2013(₹)
On plan Liability (Gains)/ Losses	(435,822)	(252,634)	2,678,585	713,341	1,626,947
On plan Assets Gains/ (Losses)	1,504,014	(1,504,086)	(45,560)	(71,993)	86,700

### Defined Contribution Plans

Amount recognized as expense in respect of Compensated Leave Absence is ₹ 2,230,872 (Previous Year ₹ 2,504,877).

Amount recognized as an expense in respect of "Contribution to Provident and other Funds" is ₹ 5,396,415 (Previous Year ₹ 5,303,774)

### 31. CSR Expenditure:

Particulars	For the year ended 31st March 2017(₹)	For the year ended 31st March 2016(₹)
Opening Balance	4,676,652	1,286,046
a) Gross Amount required to be spent by the Company during the year	4,011,800	3,390,606
b) Amount spent during the year	500,000	Nil
Balance Yet to be Spent	8,188,452	4,676,652

### 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:

#### Name of Related Parties

#### a) Key Management Personnel and their relatives:

##### Key Management Personnel:

Mr. H R Kilachand	Executive Chairman (upto 29.04.2016)
Mrs. M H Kilachand	Promoter Director
Mr. Rohan H Kilachand	Executive Director (w.e.f. 29.04.2016)
Ms. Rohita H Kilachand	Vice President-HR, CSR & IO (w.e.f.02.05.2016)
Mr. S G Khare	Chief Executive Officer (upto 21.10.2016)
Mr. V J Doshi	Chief Financial Officer
Mr.Dilip Maharana	Company Secretary (from 26.05.2016 to 15.09.2016)
Mr. Alok Singh	Company Secretary (w.e.f.14.11.2016)

##### Relatives of Key Management Personnel:

Mrs. Nidhi R Kilachand	Wife of Executive Director
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## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- 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.

- c) **Subsidiary Company:**

Kesar Multimodal Logistics Limited

Disclosure of transactions with related parties and the status of outstanding balance as on 31st March, 2017:

Particulars	Kesar Enterprises Limited (₹)	Kesar Multimodal Logistics Ltd (₹)	H R Kilachand (₹)	M H Kilachand (₹)	Rohan H Kilachand (₹)	Rohita H.Kilachand (₹)
<b>(a) Transactions</b>						
Sharing of Common Expenses	15,757,344 (15,687,875)					
Assets received	Nil (7,500)					
Managerial Remuneration			222,720 (7,056,080)			
Director Fees/ Commission				160,000 (320,000)		
Salary paid					3,211,867 (1,533,124)	1,368,631 (Nil)
Repayment of Security Deposit						
Long term loans and advances		Nil (69,702,369)				
Investment in Preference Share Capital		165,500,000 (96,400,000)				

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Kesar Enterprises Limited (₹)	Kesar Multimodal Logistics Ltd (₹)	H R Kilachand (₹)	M H Kilachand (₹)	Rohan H Kilachand (₹)	Rohita H.Kilachand (₹)
<b>(b) Balance outstanding</b>						
Payable for Expenses Short term	4,029,676 (1,466,886)					
Managerial Remuneration			3,355,107 (5,118,500)			
Director Fees/ Commission				200,000 (200,000)		
Salary					237,682 (93,806)	110,100 (Nil)
Long term loans & Advances		155,400,000 (155,400,000)				
Investments in Equity Share Capital		417,750,000 (417,750,000)				
Investments in Preference Share Capital		261,900,000 (96,400,000)				
Corporate Guarantee		1,081,100,000 (1,081,100,000)				

(Figures in brackets represents previous year)

### Payment to Key Managerial Personnel:

Particulars	V J Doshi (CFO) (₹)	S G Khare (CEO) upto 21.10.2016 (₹)	Dilip Maharana (CS) from 26.05.2016 to 15.09.2016 (₹)	Alok Singh (CS) w.e.f 14.11.2016 (₹)
(a) Transactions Remuneration	6,874,344 (6,796,284)	5,931,900 (6,598,771)	278,600 (Nil)	396,238 (Nil)
(b) Balance outstanding +Remuneration	364,722 (337,873)	Nil (309,113)	Nil (Nil)	77,651 (Nil)

(Figures in brackets represents previous year)

# Annual Report 2016-2017

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

**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 2016-17 (₹)	During the Year 2015-16 (₹)
Harsh R Kilachand	227,443	1,363,051
Madhavi Harsh Kilachand	307,860	510,510
Rohan Harsh Kilachand	132,357	463,250
Rohita Harsh Kilachand	131,476	460,166
Harsh Rajnikant Kilachand (HUF)	19,197	67,190
Indian Commercial Co. Pvt. Ltd.	162,584	569,044
Seel Investment Pvt. Ltd.	153,775	187,373
Indian Carat Pvt Ltd	7,106	24,871
Kesar Corporation Pvt Ltd	550,623	5,072,375
Kesar Enterprises Ltd	500,000	1,750,000

- 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 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)
Loan outstanding	155,400,000	155,400,000
Maximum amount Outstanding	155,400,000	155,400,000
Terms of Repayments & Repayment Schedule	Payable on demand after 01st April, 2018	Payable on demand after 01st April, 2017
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	261,900,000	96,400,000

\* The total outstanding loans of Lenders as at 31.03.2017 is ₹ 946,301,321 (Previous Year ₹ 878,435,536) against Corporate Guarantee.

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 35 Supplementary statutory information

Particulars	For the year ended 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)
(a) Expenditure in foreign currency (Foreign Travelling & Business Promotion Expenses)	750,330	2,080,406
(b) Earnings in foreign currency	Nil	Nil

- 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 DETAILS OF SPECIFIED BANK NOTES (SBN)

The Details of specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

(Amount in ₹)

	SBNs	Other denomination notes	Total
Closing Cash in Hand as on 08.11.2016	834,500	45,760	880,260
(+) Permitted Receipts	-	863,400	863,400
(-) Permitted Payments	-	752,605	752,605
(-) Amounts deposited in Banks	834,500	-	834,500
Closing Cash in Hand as on 30.12.2016	-	156,555	156,555

### 38 Earnings per Share (EPS):

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Basic & Diluted EPS:		
a) Net profit attributable to Equity Shareholders (₹)	168,550,606	155,398,336
b) Weighted average number of Equity Shares Outstanding (Nos.)	10,926,475	10,926,475
Basic & Diluted EPS (₹)	15.43	14.22
Face Value per Share (₹)	5	5

- 39 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 ₹ 15,757,344 (Previous Year ₹ 15,687,875). Addition to fixed assets includes ₹ Nil (Previous Year ₹ 7,500) (net of depreciation), transferred from Kesar Enterprises Ltd.

# Annual Report 2016-2017

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- 40 Pursuant to AS 21 (Consolidation of Accounts) which requires to have same method of depreciation for Holding and Subsidiary companies for each class of assets. Hence in order to align with policy adopted by Subsidiary company KMLL, the company has changed the method of depreciation from WDV to SLM in case of Buildings effected at year end, accordingly depreciation has been recomputed from the date of capitalisation at SLM rates. Consequent to this, there was a write back of depreciation of ₹12,072,762.
- 41 On prudence basis, the Company provides income tax provision as per normal Computation of Income and any short / excess provisions accounted as and when crystallized.
- 42 Derivative instruments and unhedged foreign currency exposure Nil (previous year Nil)
- 43 The previous year figures have been regrouped and reclassified wherever necessary to correspond with the current year classification/disclosure.

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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 / W100048**

**For and on behalf of the Board of Directors**

**A S Ruia**  
**Chairman**  
**DIN 00296622**

**R H Kilachand**  
**Executive Director**  
**DIN 07241625**

**Sumant Sakhardande**  
**Partner**  
**Membership No. 034828**

**V J Doshi**  
**Chief Financial Officer**

**Alok Singh**  
**Company Secretary**

**Place: Mumbai**  
**Date: 30th May, 2017**

**Place: Mumbai**  
**Date: 30th May, 2017**

## 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, 2017, 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 and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, 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, 2017, their consolidated loss and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflects total assets of ₹ 1,723,642,879 and net assets of ₹ 452,375,513 as at March 31, 2017, total revenues of ₹ 43,090,523 and net



# Annual Report 2016-2017

cash flows amounting to ₹ 27,671,161 for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the 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-section (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 auditors.

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 auditors 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 purposes 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, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, is disqualified as on March 31, 2017 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 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 company, incorporated in India.
  - (iv) The Holding Company and its subsidiary company, incorporated in India have provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed by us and based on the reports of other auditors, we report that the disclosures are in accordance with the books of account maintained by the Holding Company and its subsidiary company (Refer Note No. 36 to the consolidated financial statements);

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

**Sumant Sakhardande**

Partner

Membership No. 034828

Place: Mumbai

Date: May 30, 2017

**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, 2017]

**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, 2017. We have audited the internal financial controls over financial reporting of the Group, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Group, which are companies incorporated in India, 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.

**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, which are companies incorporated in India, 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, 2017, 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, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

**Sumant Sakhardande**

Partner

Place: Mumbai

Date: May 30, 2017

Membership No. 034828

# Annual Report 2016-2017

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As on 31st March, 2017	As on 31st March, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	3	54,632,375	52,531,130
(b) Reserves and Surplus	4	597,905,523	658,844,570
<b>2 Minority Interest</b>		113,921	250,000
<b>3 Non-current liabilities</b>			
(a) Long Term Borrowings	5	991,649,658	832,845,658
(b) Deferred tax liabilities (Net)	6	35,783,257	32,361,490
(c) Other Long Term Liabilities	7	51,120,000	-
(d) Long Term Provisions	8	7,236,939	6,144,624
<b>4 Current liabilities</b>			
(a) Trade payables	9		
(i) Outstanding Dues to Micro and Small Enterprises		-	-
(ii) Outstanding Dues to Creditors other than Micro and Small Enterprises		48,705,570	25,093,949
(b) Other Current Liabilities	10	275,591,122	369,055,083
(c) Short Term Provisions	11	95,134,684	70,218,394
<b>TOTAL</b>		<b>2,157,873,049</b>	<b>2,047,344,898</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed Assets	12		
(i) Property, plant and equipment		1,880,221,725	299,511,854
(ii) Intangible Assets		1,804,966	666,692
(iii) Capital Work in Progress		93,347,229	1,657,471,394
(b) Non Current Investments	13	5,000	5,000
(c) Long Term Loans and Advances	14	12,559,712	13,938,837
(d) Other Non- Current Assets	15	11,981,571	12,860,410
<b>2 Current assets</b>			
(a) Inventories	16	1,156,787	1,022,806
(b) Trade Receivables	17	53,066,637	43,507,866
(c) Cash and Bank Balances	18	93,195,581	14,004,961
(d) Short Term Loans and Advances	19	10,124,299	3,712,630
(e) Other Current Assets	20	409,542	642,446
<b>TOTAL</b>		<b>2,157,873,049</b>	<b>2,047,344,898</b>
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 / W100048**

**Sumant Sakhardande  
Partner  
Membership No. 034828**

**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**

**Alok Singh  
Company Secretary**

**Place: Mumbai  
Date: 30th May, 2017**

**Place: Mumbai  
Date: 30th May, 2017**

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	(in ₹)	
		For the year ended on 31st March, 2017	For the year ended on 31st March, 2016
I. Revenue From Operations	21	481,050,569	439,682,814
II. Other Income	22	4,869,195	4,924,946
III. Total Revenue (I + II)		<u>485,919,764</u>	<u>444,607,760</u>
IV. Expenses:			
Employee benefits expense	23	92,894,801	79,792,313
Finance Cost	24	135,514,051	27,557,290
Depreciation and amortization expense	12	96,525,918	19,443,733
Other expenses	25	159,318,277	96,261,407
Total Expenses		<u>484,253,047</u>	<u>223,054,743</u>
V. Profit before Exceptional items & Tax (III-IV)		1,666,717	221,553,017
VI. Excess depreciation of earlier years	12	12,072,762	-
VII. Profit before tax (V-VI)		13,739,479	221,553,017
VIII Tax Expense:			
(a) Current tax [including prior year tax provision written back ₹ 11,404,374 (Previous year ₹ 9,801,482)]		69,291,593	66,318,518
(b) Deferred tax		3,421,767	(163,837)
IX Profit/(Loss) after tax and before minority interest (VII-VIII)		<u>(58,973,881)</u>	<u>155,398,336</u>
X Minority Interest		(136,079)	-
XI Profit/(Loss) for the year (IX-X)		<u>(58,837,802)</u>	<u>155,398,336</u>
XII Basic & Diluted Earnings per equity share [Nominal value of shares ₹ 5]	37	(5.38)	14.22
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 / W100048

Sumant Sakhardande

Partner

Membership No. 034828

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

Alok Singh

Company Secretary

Place: Mumbai

Date: 30th May, 2017

Place: Mumbai

Date: 30th May, 2017

# Annual Report 2016-2017

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(in ₹)		
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET PROFIT BEFORE TAX	1,666,717	221,553,017
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	96,525,917	19,443,733
Dividend Income	(501)	(500)
Interest Income	(1,442,801)	(1,105,821)
Interest and Finance Charges	135,514,051	27,557,290
Loss/ (Profit) on sale of Fixed Assets	-	(4,667)
Credit Balances Written Back	-	(19,838)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>232,263,383</b>	<b>267,423,214</b>
Movements in working capital:		
Decrease / (Increase) in Inventories	(133,977)	(129,753)
Decrease / (Increase) in Trade Receivables	(9,558,771)	(3,998,476)
Decrease / (Increase) in Short term Loans & Advances	(2,898,151)	108,316
Decrease / (Increase) in Long term Loans & Advances	848,470	(38,612)
Decrease / (Increase) in Other current assets	(4,834,254)	1,736,635
Decrease / (Increase) in Other non current assets	1,671,633	(867,189)
Increase / (Decrease) in Trade Payables	19,997,833	11,666,561
Increase / (Decrease) in Other Current Liabilities	24,712,162	10,476,757
Increase / (Decrease) in Short term Provisions (Employee benefits)	1,373,191	2,090,995
Increase / (Decrease) in Long term Liabilities	51,120,000	-
Increase / (Decrease) in Long term Provisions	1,092,315	934,615
<b>CASH GENERATED FROM OPERATIONS</b>	<b>315,653,834</b>	<b>289,403,063</b>
Taxes (Paid)/ Refunds	(41,145,418)	(41,133,395)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>274,508,416</b>	<b>248,269,668</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets including Intangible Assets & CWIP	(135,090,536)	(204,287,323)
Sale/Disposal of Fixed Assets	15,129	307,001
(Increase)/Decrease in other Non current assets	-	(7,001,779)
(Increase)/Decrease in other current assets	-	64,418
(Increase)/Decrease in short term loans & advances	-	(825,771)
Increase/(Decrease) in other Long Term liabilities	-	(310,000)
Increase/(Decrease) in long term Loans & advances	-	(530,655)
Increase/(Decrease) in long term Provisions	-	(318,568)
Increase/(Decrease) in other current liabilities	-	27,838,608
Increase/(Decrease) in short term provisions	-	50,252
Interest Received	747,880	3,011,632
Dividend Received	501	500
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(134,327,026)</b>	<b>(182,001,685)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of Borrowings	(127,399,546)	(90,640,288)
Proceeds from Borrowings	206,821,387	136,847,972
Dividends Paid	(5,078,162)	(18,108,536)
Interest Paid	(137,440,253)	(132,465,599)
<b>NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES</b>	<b>(63,096,574)</b>	<b>(104,366,451)</b>
<b>NET INCREASE /( DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>77,084,816</b>	<b>(38,098,468)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>11,379,722</b>	<b>49,478,190</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>88,464,538</b>	<b>11,379,722</b>
<b>COMPONENT CASH AND CASH EQUIVALENTS - (refer note no 18 (A))</b>		
Cash on Hand	138,178	460,966
With Bank on Current Account	86,905,294	8,272,641
on Deposit Account	-	1,400,000
unclaimed Dividend Account *	1,421,066	1,246,115
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>88,464,538</b>	<b>11,379,722</b>

\* 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.

Since the Subsidiary company has commenced its operations during the year, hence changes in respective assets and liabilities in previous year have been shown as cash used in investing activities."

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI FRN NO.103523W / W100048

Sumant Sakhardande  
Partner  
Membership No. 034828

Place: Mumbai  
Date: 30th May, 2017

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

Alok Singh  
Company Secretary

Place: Mumbai  
Date: 30th May, 2017

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017****Background**

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

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

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 with 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. KMLL became subsidiary of the Company w.e.f 10th August, 2012 and has commenced its commercial operations in Rail Business, Warehousing and Cold Storage during the year. Operations are yet to commence in ICD business.

**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.



# Annual Report 2016-2017

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 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.
- d) Concession Premium paid/payable by KMLL to the Mandi Board for use of land under the concession agreement dated 24.10.2011 uptill the construction period is capitalized to the fixed assets. The remaining concession Premium is being amortised over the balance period of the Concession Agreement. The lease period of the concession agreement is 33 years plus further extension of 15 years aggregating to 48 years.

### 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 and Buildings 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.



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017**

- f) In case where fixed assets is having useful life more than lease/concession period, depreciation has been provided over the lease/concession period remaining from the year of capitalization.
- g) 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. 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'.

**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**

- 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. In case of KMLL, contribution is capitalised as "pre-operative expenditure pending for capitalisation". There are no other obligations other than the contribution payable to the respective funds.
- b. Gratuity and Leave Encashment liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method, 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. In case of KMLL, gain/losses are capitalised as "pre-operative expenditure pending for capitalisation".
- f. 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.

# Annual Report 2016-2017

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### **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.

### **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 2017

### 3. SHARE CAPITAL

PARTICULARS	As at 31st March, 2017		As at 31st March, 2016	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of ₹ 5 each (Previous year ₹ 10 each)	25,000,000	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
<b>Issued, Subscribed &amp; Fully Paid up</b>				
Equity Shares of ₹ 5 each (Previous year ₹ 10 each)	10,926,475	54,632,375	5,253,113	52,531,130
<b>Total</b>	<b>10,926,475</b>	<b>54,632,375</b>	<b>5,253,113</b>	<b>52,531,130</b>

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

PARTICULARS	As at 31st March, 2017		As at 31st March, 2016	
	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	-	-	-	-
Allotment of Shares on account of sub division	5,253,113	-	-	-
Issue on account of Bonus Shares	420,249	2,101,245	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,926,475	54,632,375	5,253,113	52,531,130

Pursuant to the approval by the members at the Annual General Meeting held on 3rd August, 2016, the company has sub-divided the Equity Shares of Face Value of ₹ 10 each into Equity Share of the Face Value of ₹ 5 each and has allotted Bonus Equity Share of face value of ₹ 5 each in the ratio of one Equity share for every Twenty Five Equity Shares held on record date 13th August, 2016.

#### (b) Terms / rights attached to Equity Share

- The Company has only one class of equity shares having a par value of ₹ 5 per share (previous year ₹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 2017, the amount of Final dividend ₹ 0.50 (for previous year ended 31st March 2016: ₹1.00) per Equity Share.

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

PARTICULARS	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kesar Corporation Pvt Limited	3,014,439	27.59%	1,449,250	27.59%
Kesar Enterprises Limited	1,040,000	9.52%	500,000	9.52%
M H Kilachand	640,348	5.86%	307,860	5.86%

#### (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

# Annual Report 2016-2017

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 4. RESERVES & SURPLUS

		(In ₹)	
PARTICULARS		As at 31st March, 2017	As at 31st March, 2016
<b>(a) General Reserve</b>			
Opening Balance		299,600,000	249,600,000
(+) Transfers		-	50,000,000
(-) Capitalisation on account of Bonus shares		(2,101,245)	-
Closing Balance		<b>297,498,755</b>	<b>299,600,000</b>
<b>(b) Surplus i.e. Balance in Statement of Profit &amp; Loss</b>			
Opening balance		359,244,570	260,168,760
(+) Net Profit/(Net Loss) For the current year		(58,837,802)	155,398,336
(-) Proposed Final Dividend {refer note no 3(b) (ii)}		-	5,253,113
(-) Dividend Distribution Tax		-	1,069,413
(-) Transfer to Reserves		-	50,000,000
Closing Balance		<b>300,406,768</b>	<b>359,244,570</b>
<b>Total</b>		<b>597,905,523</b>	<b>658,844,570</b>

### 5. LONG TERM BORROWINGS

<b>(a) Secured Borrowings</b>			
<b>(i) Term loans From Banks</b>			
<b>(1) Corporate Loan</b>		-	37,500,000
<b>Term Loan I</b>			
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.			
<b>Term Loan II</b>		66,666,670	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.			
<b>Term Loan III</b>			
Secured by exclusive charge on all tanks, movable Fixed Assets and Current Assets both present and future at Kandla. (Terminal I & II)		50,000,000	-
Terms of Repayments:- Repayable from Apr'2018 in 48 Equal Monthly Installments. Interest is payable at 1Year MCLR of Lender Bank Plus 3.90% p.a. with monthly rest.			

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

		(In ₹)	
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016	
(2) <b>Project Loan</b>	874,592,967	745,271,197	
<p>Primary Security : Secured by way of 1st charge on all fixed assets excluding Land (since the land is given by the Mandi Board under the concession agreement) of the proposed composite logistics hub at Powerkheda, Madhya Pradesh on paripassu basis.</p> <p>Collateral security 2nd charge over all current assets (present &amp; future) of the proposed Composite Logistics Hub at Powerkheda, Madhya Pradesh on paripassu basis.</p> <p>Corporate Guarantee : Corporate guarantee of Kesar Terminals &amp; Infrastructure Limited (Holding Company).</p> <p><b>Terms of Repayment:</b></p> <p>Term Loans are repayable in 16 to 28 equal quarterly installments after the moratorium period ranging from 3 to 4 years (previous year 2 to 3 years) from the date of first disbursement of the respective term loans.</p> <p><b>Rate of interest:</b></p> <p>Rate of Interest is in the range of 10.50% to 12.70% (PY 10.50% to 13.25%)</p>			
(ii) From others (various Finance Companies)			
<b>Vehicle Loans</b>	390,021	1,687,500	
<p>Secured by way of hypothecation of respective vehicles.</p> <p>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.</p>			
<b>Total Secured Borrowings</b>	<b>991,649,658</b>	<b>829,775,364</b>	
<p>[Out of total Secured Borrowings of ₹ 1,127,155,486 (Previous Year ₹ 1,043,670,815) borrowings of ₹ 135,505,828 (Previous year ₹213,895,451) having Current Maturities, have been disclosed in Note No.10]</p>			
(b) <b>Unsecured Borrowings</b>			
<b>Loans from Customers</b>	-	30,70,294	
<p>Terms of Repayments:- Repayable in 60 Equated Monthly Installments from the date tanks are put to use and carrying simple interest @ 13% p.a.</p>			
<b>Total Unsecured Borrowings</b>	<b>-</b>	<b>30,70,294</b>	
<p>[Out of total Unsecured Borrowings of ₹ 5,123,666 (previous year ₹ 17,760,439), borrowings of ₹ 5,123,666 (previous year ₹ 14,690,145) having Current Maturities, have been disclosed in Note No.10]</p>			
<b>Total</b>	<b>99,16,49,658</b>	<b>83,28,45,658</b>	

# Annual Report 2016-2017

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

		(In ₹)	
	PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
<b>6. DEFERRED TAX LIABILITIES (NET)</b>			
	<b>(a) Deferred Tax Liability</b>		
	Impact of difference between Tax Depreciation & Depreciation / Amortisation charged as per Companies Act.	40,201,867	35,372,888
	<b>(b) Deferred Tax Assets</b>		
	Disallowances under Section 43B of Income tax Act for Employee Benefits	4,418,610	3,011,398
	<b>Net Deferred Tax Liability (a-b)</b>	<b>35,783,257</b>	<b>32,361,490</b>
<b>7. OTHER LONG TERM LIABILITIES</b>			
	Others		
	Mandi Board Premium Payable (having current Maturities of ₹12,780,000 disclosed in Note no.10)	51,120,000	-
	<b>Total</b>	<b>51,120,000</b>	<b>-</b>
<b>8. LONG TERM PROVISIONS</b>			
	Provision for employee benefits		
	(a) Gratuity Provision (unfunded)	265,453	99,670
	(b) Leave Encashment (unfunded)	6,971,486	6,044,954
	<b>Total</b>	<b>7,236,939</b>	<b>6,144,624</b>
<b>9. TRADE PAYABLES</b>			
	Outstanding Dues to Micro and Small Enterprises (refer note no. 35)	-	-
	Outstanding Dues to Creditors other than Micro and Small Enterprises	48,705,570	25,093,949
	<b>Total</b>	<b>48,705,570</b>	<b>25,093,949</b>

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

		(In ₹)
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
<b>10. OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of long-term debt		
(i) Current maturities of long-term debt - secured borrowings (refer note no. 5)	135,505,828	213,895,451
(ii) Current maturities of long-term debt - unsecured borrowings (refer note no. 5)	5,123,666	14,690,145
(b) Current maturities-Mandi Board Premium Payable	12,780,000	-
(c) Interest accrued but not due on borrowings	7,198,885	3,581,257
(d) Interest accrued and due on borrowings	3,030,113	-
(e) Advance from Customer	1,235,261	1,055,466
(f) Unclaimed dividends	1,421,066	1,246,115
(g) Payable to Related Party	7,384,783	6,585,387
(h) Payables -(For other contractual obligations)	5,046,383	8,624,634
(i) Payables -(For Capital Goods)	76,863,392	110,073,850
(j) Outstanding Liabilities for expenses	6,843,927	2,408,175
(k) Statutory Dues	12,847,818	6,584,603
(l) Security Deposit from Lessee (Interest Free)	310,000	310,000
<b>Total</b>	<b>275,591,122</b>	<b>369,055,083</b>

## 11. SHORT TERM PROVISIONS

### (a) Provision for employee benefits

(i) Gratuity (Funded)	3,685,272	2,325,271
(ii) Gratuity (Unfunded)	479	157
(iii) Leave Encashment (Unfunded)	2,247,569	2,234,701

### (b) Others

(i) Provision for Income Tax	89,201,364	59,335,739
[Net of Advance Income Tax of ₹ 140,799,670 (Previous Year ₹ 142,719,605)]		
(ii) Proposed Final Dividend	-	5,253,113
(iii) Dividend Distribution Tax	-	1,069,413

### Total

**95,134,684**

**70,218,394**



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 12 FIXED ASSETS (Owned, unless stated otherwise)

Particulars		Gross Block			Balance as at 31st March 2017	Accumulated Depreciation			Net Block Balance as at 31st March 2017 (In ₹)
		Balance as at 1st April 2016	Additions	Disposals		Balance as at 1st April 2016	Depreciation / amortization charge for the year	On disposals/ Adjustment	
(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	25,868,949	-	27,695,851	843,182	-	2,634,492	25,061,359
	(3) Lease Hold Land Premium	567,000	-	-	567,000	11,017	-	567,000	-
(4) Land/Site Development	-	380,873,200	-	380,873,200	-	8,223,695	-	8,223,695	372,649,505
	Total	52,225,478	406,742,150	-	458,967,627	9,077,894	-	11,425,187	447,542,440
(ii)	Buildings	54,762,099	592,931,801	-	647,693,900	23,581,510	12,072,762	44,645,924	603,047,976
(iii)	Plant and Equipment	497,690,542	130,099,030	-	627,789,572	26,472,613	-	307,335,585	320,453,987
(iv)	Plant and Equipment (Railway Siding)	-	533,447,287	-	533,447,287	32,083,946	-	32,083,946	501,363,341
(v)	Furniture and Fixtures	7,243,651	181,260	-	7,424,911	691,739	-	5,592,205	1,832,706
(vi)	Office Equipments	9,874,960	240,207	19,530	10,095,637	1,391,631	4,401	7,858,748	2,236,889
(vii)	Vehicles	16,223,137	200,000	-	16,423,137	1,890,163	-	12,678,751	3,744,386
	Total	638,019,867	1,663,841,735	19,530	2,301,842,071	95,189,496	12,077,163	421,620,346	1,880,221,725
(b)	Intangible Assets								
	Computer software	3,306,088	2,474,695	-	5,780,783	1,336,421	-	3,975,817	1,804,966
	Total	3,306,088	2,474,695	-	5,780,783	1,336,421	-	3,975,817	1,804,966
	Total (a+b)	641,325,955	1,666,316,430	19,530	2,307,622,854	96,525,917	12,077,163	425,596,163	1,882,026,691
(c)	Capital Work In Progress	1,657,471,394	99,453,385	1,663,577,549	93,347,229	-	-	-	93,347,229
	Total (a+b+c)	2,298,797,349	1,765,769,814	1,663,597,079	2,400,970,083	96,525,917	12,077,163	425,596,163	1,975,373,920

Note: The method of depreciation on Buildings has been changed from WDV (Written Down Value) to SLM (Straight Line Method) resulted in lower depreciation by ₹ 12,077,163 shown as disposal/Adjustment under accumulated depreciation. (refer note no.40)

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 12 FIXED ASSETS (Owned, unless stated otherwise) (FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars		Gross Block			Accumulated Depreciation			Net Block
		Balance as at 1st April 2015	Additions	Disposals	Balance as at 31st March 2016	Balance as at 1st April 2015	On disposals	Balance as at 31st March 2016
<b>Tangible Assets</b>								
(a)	Land							
(i)	(1) Free Hold Land	49,831,576	-	-	49,831,576	-	-	49,831,576
	(2) Lease Hold Land	1,826,902	-	-	1,826,902	1,730,531	-	35,592
	(3) Lease Hold Land Premium	567,000	-	-	567,000	537,105	-	11,017
	<b>Total</b>	<b>52,225,478</b>	<b>-</b>	<b>-</b>	<b>52,225,478</b>	<b>2,267,636</b>	<b>-</b>	<b>49,878,185</b>
(ii)	Buildings	54,762,099			54,762,099	29,484,334		21,624,923
(iii)	Plant and Equipment	495,552,362	2,144,030	5,850	497,690,542	266,349,314		216,827,570
(iv)	Furniture and Fixtures	6,964,749	278,902	-	7,243,651	4,052,245	5,558	2,343,185
(v)	Office Equipments	7,627,603	2,319,364	72,007	9,874,960	4,924,256	-	3,403,442
(vi)	Vehicles	18,463,596	-	2,240,459	16,223,137	10,020,366	61,434	5,434,549
	<b>Total</b>	<b>635,595,887</b>	<b>4,742,296</b>	<b>2,318,316</b>	<b>638,019,867</b>	<b>317,098,151</b>	<b>2,013,893</b>	<b>299,511,854</b>
<b>Intangible Assets</b>								
(b)	Computer software	3,113,945	192,143	-	3,306,088	1,760,177	-	666,692
	<b>Total</b>	<b>3,113,945</b>	<b>192,143</b>	<b>-</b>	<b>3,306,088</b>	<b>1,760,177</b>	<b>-</b>	<b>666,692</b>
	<b>Total (a+b)</b>	<b>638,709,832</b>	<b>4,934,439</b>	<b>2,318,316</b>	<b>641,325,955</b>	<b>318,858,328</b>	<b>2,013,893</b>	<b>300,178,546</b>
(c)	Capital Work In Progress (Refer Note No 28)	1,350,948,084	306,523,310	-	1,657,471,394	-	-	1,657,471,394
	<b>Total (a+b+c)</b>	<b>1,989,657,916</b>	<b>311,457,749</b>	<b>2,318,316</b>	<b>2,298,797,349</b>	<b>318,858,328</b>	<b>2,013,893</b>	<b>1,957,649,940</b>

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.

# Annual Report 2016-2017

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 13. NON CURRENT-INVESTMENTS

(in ₹)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
<b>Other Investments (valued at cost unless stated otherwise)</b>		
Investments in Equity Instruments - ( Unquoted)	5,000	5,000
200 Shares of ₹ 25 each fully paid in Jain Sahakari Bank Ltd (Previous year 200 Shares of ₹ 25 each )		
[Aggregate amount of Unquoted Investments is ₹ 5,000 (Previous Year ₹ 5,000)]		
<b>Total</b>	<b>5,000</b>	<b>5,000</b>

### 14. LONG TERM LOANS AND ADVANCES

#### Unsecured, Considered good

(a) Capital Advances	-	530,655
(b) Security Deposits	12,533,512	13,376,412
(c) Loans and Advances to Employees	26,200	31,770
<b>Total</b>	<b>12,559,712</b>	<b>13,938,837</b>

### 15. OTHER NON-CURRENT ASSETS

#### Unsecured, Considered good

(a) Fixed Deposits with maturity of more than 12 months (Under Lien / Security with various Banks)	10,568,236	12,239,869
(b) Interest accrued on Bank Deposits & NSC	1,413,335	615,787
(c) Interest accrued on staff loan	-	4,754
<b>Total</b>	<b>11,981,571</b>	<b>12,860,410</b>

### 16. INVENTORIES

#### Stores and spares

(Valued at Lower of Cost and Net Realisable Value)	1,156,787	1,022,806
<b>Total</b>	<b>1,156,787</b>	<b>1,022,806</b>

### 17. TRADE RECEIVABLES

#### Unsecured, Considered good

(a) Outstanding for a period exceeding six months from the date they are due for payment	1,136,184	32,973
(b) Others	51,930,453	43,474,893
<b>Total</b>	<b>53,066,637</b>	<b>43,507,866</b>

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 18. CASH AND BANK BALANCES

(in ₹)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
<b>A. Cash and Cash Equivalents</b>		
(a) Balance with Banks		
(i) on Current Accounts	86,905,294	8,272,641
(ii) on unclaimed Dividend Accounts	1,421,066	1,246,115
(iii) on Fixed Deposits Accounts with original maturity of less than 3 months	-	1,400,000
(b) Cash on hand	138,178	460,966
<b>B. Other Bank Balances</b>		
Fixed Deposits with original maturity of more than 3 months but less than 12 months	4,731,043	2,625,239
<b>Total</b>	<b>93,195,581</b>	<b>14,004,961</b>

### 19. SHORT TERM LOANS AND ADVANCES

#### Unsecured, Considered good

#### Others

(a) Prepaid expenses	3,519,254	1,375,546
(b) Service Tax Receivable	4,017,447	1,222,325
(c) Loans and Advances to Employees	130,970	256,494
(d) Other advances recoverable in cash or kind	2,456,628	858,265
<b>Total</b>	<b>10,124,299</b>	<b>3,712,630</b>

### 20. OTHER CURRENT ASSETS

#### Unsecured , Considered Good

(a) Interest accrued on staff loans	4,754	64,762
(b) Interest accrued on Bank Fixed Deposits	404,788	442,653
(c) Other Receivable	-	135,031
<b>Total</b>	<b>409,542</b>	<b>642,446</b>

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## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

		(In ₹)	
PARTICULARS	For the year ended 31st March, 2017	For the year ended 31st March, 2016	
<b>21. REVENUE FROM OPERATIONS</b>			
(a) Sale of Services	480,473,209	439,087,752	
(Income from providing storage tanks on hire/rental basis for liquid cargo and other related services)			
(b) Other operating revenue (Handling charges)	577,360	595,062	
<b>Total</b>	<b>481,050,569</b>	<b>439,682,814</b>	
<b>22. OTHER INCOME</b>			
(a) Interest on			
(i) Fixed Deposits	1,272,616	1,008,458	
(ii) Others	170,185	97,363	
(b) Dividend Income	501	500	
(c) Credit Balance Written Back	-	19,838	
(d) Sale of Scrap	1,371,675	3,572,407	
(e) Insurance Claim Received	1,427,995		
(f) Profit on Sale of Assets	-	4,667	
(g) Miscellaneous Receipts	626,223	221,713	
<b>Total</b>	<b>4,869,195</b>	<b>4,924,946</b>	
<b>23. EMPLOYEE BENEFIT EXPENSE</b>			
(a) Salaries and Wages	80,710,487	69,916,272	
(b) Contribution to P.F. Fund	5,881,450	5,303,774	
(c) Contribution to Gratuity Fund	3,876,377	2,572,535	
(d) Staff Welfare	2,426,487	1,999,732	
<b>Total</b>	<b>92,894,801</b>	<b>79,792,313</b>	
<b>24. FINANCE COST</b>			
(a) Interest Expense	129,286,176	25,805,803	
(b) Other Borrowing Costs			
(i) Finance Charges	6,175,750	63,236	
(ii) Others including Bank Charges	52,125	1,688,251	
<b>Total</b>	<b>135,514,051</b>	<b>27,557,290</b>	
<b>25. OTHER EXPENSES</b>			
(a) Storage & Handling Charges	5,395,904	5,621,936	
(b) Transportation, Labour and Handling Charges	29,850,060	-	
(c) Equipment Hire Charges	8,122,078	-	
(d) Power & Fuel	12,515,206	9,201,992	
(e) Rent	12,065,467	11,956,589	
(f) Repairs			
(i) Plant & Machinery	38,720,087	35,017,751	
(ii) Buildings	408,545	-	
(iii) Others	2,351,935	2,099,090	
(g) Insurance	3,539,273	1,449,069	
(h) Rates & Taxes	1,934,207	742,640	
(i) Selling agent Commission & Brokerage	531,798	775,427	
(j) Legal & Professional Fees	9,271,508	2,777,196	
(k) Directors Sitting Fees	1,950,000	1,840,000	
(l) Commission to Directors	150,000	-	
(m) Auditors Remuneration			
(i) Audit Fees	565,000	305,000	
(ii) For Certification	210,000	195,000	
(iii) For Other Matters	-	-	
(iv) Out Of Pocket Expenses	7,209	10,455	
(n) Security Service Charges	1,293,259	-	
(o) Issue Expenses for Redeemable Preference Shares	1,662,628	-	
(p) Travelling Expenses	6,286,216	7,988,455	
(q) Bad Debts/Advances Written off	192,991	-	
(r) CSR Expenditure u/s 135 of Companies Act, 2013 (refer note no 31)	500,000	-	
(s) Miscellaneous Expenses	21,794,906	16,280,807	
<b>Total</b>	<b>159,318,277</b>	<b>96,761,407</b>	

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 26 Capital and other Commitments

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
Estimated amount of contracts remaining to be executed on capital account and not provided for	140,264,321	171,131,436
Other contracts	1,250,000	1,250,000

### 27 Contingent Liabilities

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016 (₹)
<b>(a) Claims against the Company not acknowledged as debts:</b>		
i) Additional demand of Electricity Charges under dispute *	5,342,469	5,342,469
ii) Additional Demand on account of Foreclosure	525,000	525,000
iii) Additional demand on account of revision in rates of Lease Rent	85,843,575	37,199,818
iv) Additional demand on account of Transfer fee/upfront rent for change in name	208,354,295	208,354,295
<b>(b) Guarantee:</b>		
(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
(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 & Central Excise, Bhopal	5,000,000	5,000,000
(vi) Bank Guarantee Given to Commissioner, Food Civil Supplies & Consumer Protection, Bhopal	-	8,134,600
(vii) Bank Guarantee Given to a Customer, ITC Limited	500,000	-
<b>(c) Disputed liability on account of Income Tax</b>	1,861,034	-
<b>Total</b>	<b>1,459,834,259</b>	<b>1,416,964,068</b>

\* 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, 2017 is ₹ 946,301,321 (Previous year ₹ 878,435,536) against Corporate Guarantee.

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## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 28 Capital Work in Progress includes:

Particulars	As at 31st March 2017 (₹)	As at 31st March 2016(₹)
<b>Preoperative Expenses &amp; Income</b>		
Rent	-	5,756,077
Employee Cost	1,623,590	26,376,779
Interest on Term Loan	14,244,630	226,145,665
Loan Processing Fees & Other charges	1,078,064	17,514,185
Directors' Sitting fees	76,514	1,243,036
Audit Fees	27,699	450,000
Auditor's Fees – Certification	424	6,890
Auditor's Out of pocket expenses	2,751	44,693
Legal & Professional Fees	601,656	5,351,267
Communication Expenses	36,130	586,961
Travelling & Conveyance	435,330	7,072,361
Electricity Charges	174,619	2,836,859
Security Charges	76,223	1,238,309
Rates & Taxes	31,350	509,316
other preoperative expenses	1,695,437	12,798,102
Depreciation	388,647	6,313,944
Preoperative Income		
Interest on Fixed Deposit received	(190,417)	(3,093,511)
Cold Storage Rent Income	(14,916)	(242,331)
Warehouse Rent Income	(204,626)	(3,324,352)

- 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.

### 30 Employee Benefit

- (i) 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.

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

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)
Present Value of funded obligations	23,080,195	21,125,446
Fair Value of plan assets	19,394,923	18,800,175
Net liability /(Assets)	3,685,272	2,325,271
Amount in balance sheet Liabilities	3,685,272	2,325,271



# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)
Current service cost	1,246,915	1,256,699
Interest on obligation	186,022	64,384
Expected return on plan assets	(1,504,014)	(1,504,086)
Net actuarial losses (gains) recognized in year	2,277,335	2,755,538
Total included in employee benefit expense	3,710,272	2,572,535

(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 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)
Opening defined benefit obligation	21,125,446	19,605,873
Service costs	1,246,915	1,256,699
Interest costs	1,690,036	1,568,470
Actuarial losses (gains)	773,321	(252,634)
Benefits paid	(1,755,523)	(1,052,961)
Closing defined benefit obligation	23,080,195	21,125,446

(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 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)
Opening fair value of plan assets	18,800,175	18,801,080
Adjustment in funds		
Expected return on plan assets	1,504,014	1,504,086
Actuarial gains / (losses)	(1,504,014)	(1,504,086)
Contributions by employer	2,325,271	1,052,056
Benefits paid	(1,755,523)	(1,052,961)
Closing fair value of plan assets	19,394,923	18,800,175

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

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## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2017	For the year ended 31st March 2016
Discount rate	7.27%	8.00%
Salary escalation rate	7.27%	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 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)	For the year ended 31st March 2015 (₹)	For the year ended 31st March 2014 (₹)	For the year ended 31st March 2013 (₹)
Defined benefit obligation	23,080,195	21,125,446	19,605,873	18,117,000	16,791,621
Plan assets	19,394,923	18,800,175	18,801,080	18,973,712	15,992,069
Surplus/ (deficit)	(3,685,272)	(2,325,271)	(804,793)	856,712	(799,552)

(g) Experience Adjustment:

Particulars	Defined Benefit (Gratuity) Plan				
	For the year ended 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)	For the year ended 31st March 2015 (₹)	For the year ended 31st March 2014 (₹)	For the year ended 31st March 2013 (₹)
On plan Liability (Gains)/ Losses	(435,822)	(252,634)	2,678,585	713,341	1,626,947
On plan Assets Gains/ (Losses)	(1,504,014)	(1,504,086)	(45,560)	(71,993)	86,700

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### (ii) Defined Benefit Plan (Gratuity) - Non-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.

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

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March, 2017 (Amount in ₹)	For the year ended on 31st March, 2016 (Amount in ₹)
Present Value of Unfunded obligations	265,932	99,827
Fair Value of plan assets	-	-
Net liability	265,932	99,827
Amount in balance sheet Liabilities	265,932	99,827

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

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March, 2017 (Amount in ₹)	For the year ended on 31st March, 2016 (Amount in ₹) *
Current service cost	98,592	120,624
Interest on obligation	7,986	21,346
Expected return on plan assets	-	-
Net actuarial losses (gains) recognized in year	59,527	(308,971)
Total included in employee benefit expense	166,105	(167,001)
Actual return on plan assets	-	-

\* recognised in Capital Work in Progress

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

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March, 2017 (Amount in ₹)	For the year ended on 31st March, 2016 (Amount in ₹)
Opening defined benefit obligation	99,827	266,828
Service costs	98,592	120,624
Interest costs	7,986	21,346
Actuarial losses (gains)	59,527	(308,971)
Benefits paid	-	-
Closing defined benefit obligation	265,932	99,827

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## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March, 2017 (Amount in ₹)	For the year ended on 31st March, 2016 (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 on 31st March, 2017	For the year ended on 31st March, 2016
Discount rate	7.71%	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 year are as follows:

Particulars	For the year ended on 31st March, 2017 (Amount in ₹)	
	For the year ended on 31st March, 2017 (Amount in ₹)	For the year ended on 31st March, 2016 (Amount in ₹)
Defined benefit obligation	265,932	99,827
Plan assets	-	-
Surplus/ (deficit)	(265,932)	(99,827)

- (g) Experience Adjustment:

Particulars	For the year ended on 31st March, 2017 (Amount in ₹)	
	For the year ended on 31st March, 2017 (Amount in ₹)	For the year ended on 31st March, 2016 (Amount in ₹)
On plan Liability (Gains)/ Losses	45,767	(308,971)
On plan Assets Gains/ (Losses)	-	-

- (iii) Defined Benefit Plan (Leave Encashment) - Non-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.

Amount recognized as expense in respect of Compensated Leave Absence is ₹ 2,629,917 (Previous Year ₹ 2,755,874) of which ₹ Nil (Previous Year ₹ 250,997) is recognised in Pre-operative expenditure pending capitalization.

Amount recognized as an expense in respect of "Contribution to Provident and other Funds" is ₹ 5,881,450 (Previous Year ₹ 5,595,988) of which ₹ Nil (Previous Year ₹ 292,214) is recognised in Pre-operative expenditure pending capitalization.

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 31 CSR Expenditure

Particulars	For the year ended 31st March 2017 (₹)	For the year ended 31st March 2016 (₹)
Opening Balance	4,676,652	1,286,046
a) Gross Amount required to be spent by the Company during the year	4,011,800	3,390,606
b) Amount spent during the year	500,000	Nil
Balance yet to be Spent	8,188,452	4,676,652

### 32 Segment Reporting

The Company is mainly engaged in Liquid Storage and Handling business falling under logistics segment and its only Subsidiary i.e. Kesar Multimodal Logistics Ltd. is engaged in activities of Composite Logistics Hub. Hence there is no other reportable business segment as required in accordance with 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 29.04.2016)
Mrs. M H Kilachand	Promoter Director
Mr. Rohan H Kilachand	Executive Director (w.e.f 29.04.2016)
Ms. Rohita H Kilachand	Vice President-HR, CSR & IO (w.e.f.02.05.2016)
Mr. S G Khare	Chief Executive Officer (upto 21.10.2016)
Mr. V J Doshi	Chief Financial Officer
Mr. Dilip Maharana	Company Secretary (from 26.05.2016 to 15.09.2016)
Mr. Alok Singh	Company Secretary (w.e.f.14.11.2016)

Relatives of Key Management Personnel:

Mrs. Nidhi R Kilachand	Wife of Executive Director
------------------------	----------------------------

#### 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.

# Annual Report 2016-2017

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Disclosure of transactions with related parties and the status of outstanding balance as on 31st March, 2017:

(In ₹)

Particulars	Kesar Enterprises Limited	H R Kilachand	M H Kilachand	Rohan H Kilachand	Rohita H. Kilachand
<b>(a) Transactions</b>					
Sharing of Common Expenses	16,039,744 (16,311,205)				
Assets received	200,000 (218,028)				
Managerial Remuneration		222,720 (7,056,080)			
Director Fees/Commission			205,000 (335,000)		
Salary paid				3,211,867 (1,533,124)	
Repayment of Security Deposit					1,368,631 (Nil)
<b>(b) Balance outstanding</b>					
Payable for Expenses Short term	4,029,676 (1,723,962)				
Managerial Remuneration		3,355,107 (5,118,500)			
Director Fees/Commission			200,000 (200,000)		
Salary				237,682 (93,806)	110,100 (Nil)
Investments	250,000 (250,000)				

(Figures in brackets represents previous year)

### Payment to Key Managerial Personnel:

(In ₹)

Particulars	V J Doshi (CFO)	S G Khare (CEO) upto 21.10.2016	Dilip Maharana (CS) from 26.05.2016 to 15.09.2016	Alok Singh (CS) w.e.f 14.11.2016
(a) Transactions Remuneration	6,874,344 (6,796,284)	6,265,771 (7,198,771)	278,600 (Nil)	396,238 (Nil)
(b) Balance outstanding Remuneration	364,722 (337,873)	Nil (343,663)	Nil (Nil)	77,651 (Nil)

(Figures in brackets represents previous year)

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

**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 2016-17 (₹)	During the Year 2015-16 (₹)
Harsh R Kilachand	227,443	1,363,051
Madhavi Harsh Kilachand	307,860	510,510
Rohan Harsh Kilachand	132,357	463,250
Rohita Harsh Kilachand	131,476	460,166
Harsh Rajnikant Kilachand (HUF)	19,197	67,190
Indian Commercial Co. Pvt. Ltd.	162,584	569,044
Seel Investment Pvt. Ltd.	153,775	187,373
Indian Carat Pvt Ltd	7,106	24,871
Kesar Corporation Pvt Ltd	550,623	5,072,375
Kesar Enterprises Ltd	500,000	1,750,000

### 34 Supplementary statutory information: (In ₹)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Expenditure in foreign currency (Travelling & Business Promotion Expenses)	750,330	2,080,406
(b) Earnings in foreign currency	Nil	Nil
(c) CIF value of Imports	Nil	Nil

- 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 . DETAILS OF SPECIFIED BANK NOTES (SBN)

The Details of specified Bank Notes (SBN) held and transacted during the period from 8th November,2016 to 30th December,2016 as provided in the Table below:- (In ₹)

Particulars	SBNs	Other denomination notes	Total
Closing Cash in Hand as on 08.11.2016	925,500	277,696	1,107,800
(+) Permitted Receipts	-	1,405,741	996,128
(-) Permitted Payments	-	1,095,884	834,500
(-) Amounts deposited in Banks	925,500	70,000	168,067
Closing Cash in Hand as on 30.12.2016	-	517,553	1,101,361

### 37. Earnings Per Share (EPS): (In ₹)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Basic & Diluted EPS:		
a) Net profit attributable to Equity Shareholders (₹)	(58,837,802)	155,398,336
b) Weighted average number of Equity Shares Outstanding (Nos.)	10,926,475	10,926,475
Basic & Diluted EPS (₹)	(5.38)	14.22
Face Value per Share (₹)	5	5



# Annual Report 2016-2017

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

- 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 ₹ 15,991,619 (Previous Year ₹ 16,311,205). Addition to fixed assets includes ₹ 200,000 (Previous Year ₹ 218,028) (net of depreciation), transferred from Kesar Enterprises Ltd.
- 39 Additional information as required under Schedule III of Companies Act, 2013:

Name of the entity in the	For the Year Ended 31st March 2017				For the Year Ended 31st March 2016			
	Net Assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Net Assets i.e. total assets minus total liabilities		Share in profit/ (loss)	
	As % of consolidated net assets	Amount ₹	As % of consolidated profit/(loss)	Amount ₹	As % of consolidated net assets	Amount ₹	As % of consolidated profit/(loss)	Amount ₹
Parent								
Kesar Terminals & Infrastructure Ltd	134.85%	879,926,306	(285.81%)	168,550,606	100.00%	711,375,700	100.00%	155,398,336
Subsidiary Indian								
Kesar Multimodal Logistics Limited	69.31%	452,261,592	385.81%	(227,524,487)	72.28%	514,150,000	-	-
Intercompany Elimination and Consolidation Adjustments	(104.15%)	(679,650,000)			(72.28%)	(514,150,000)		
<b>Sub Total</b>	<b>100.00%</b>	<b>652,537,898</b>	<b>100.00%</b>	<b>(58,973,881)</b>	<b>100.00%</b>	<b>711,375,700</b>	<b>100%</b>	<b>155,398,336</b>
Minority Interest in Subsidiary		113,921		(136,079)		250,000		-
<b>Grand Total</b>		<b>652,651,819</b>		<b>(58,837,802)</b>		<b>711,625,700</b>		<b>155,398,336</b>

- 40 Pursuant to AS 21 (Consolidation of Accounts) which requires to have same method of depreciation for Holding and Subsidiary companies for each class of assets. Hence in order to align with policy adopted by Subsidiary company KMLL, the company has changed the method of depreciation from WDV to SLM in case of Buildings effected at year end, accordingly depreciation has been recomputed from the date of capitalisation at SLM rates. Consequent to this, there was a write back of depreciation of ₹.12,072,762.
- 41 On prudence basis, the Company provides income tax provision as per normal Computation of Income and any short / excess provisions accounted as and when crystallized.
- 42 Derivative instruments and unhedged foreign currency exposure ₹ Nil (previous year ₹ Nil)
- 43 The previous year figures have been regrouped and reclassified wherever necessary to correspond with the current year classification/ disclosure.

### For and on behalf of the Board of Directors

#### For Haribhakti & Co. LLP

Chartered Accountants

ICAI FRN NO.103523W / W100048

A S Ruia

Chairman

DIN 00296622

R H Kilachand

Executive Director

DIN 07241625

Sumant Sakhardande

Partner

Membership No. 034828

V J Doshi

Chief Financial Officer

Alok Singh

Company Secretary

Place: Mumbai

Date: 30th May, 2017

Place: Mumbai

Date: 30th May, 2017

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## 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, 2017                |
| 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  | : ₹ 679,900,000                   |
| 6. Reserves & surplus   | : ₹ (227,524,487)                 |
| 7. Total assets   | : ₹ 1,723,642,879                 |
| 8. Total Liabilities  | : ₹ 1,271,267,366                 |
| 9. Investments  | : Nil                             |
| 10. Turnover  | : ₹ 42,024,313                    |
| 11. Profit/(Loss) before taxation   | : ₹ (227,148,520)                 |
| 12. Provision for taxation  | : ₹ 375,967                       |
| 13. Profit/(Loss) after taxation  | : ₹ (227,524,487)                 |
| 14. Proposed Dividend   | : Nil                             |
| 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 : Nil
2. Names of subsidiaries which have been liquidated or sold during the year : Nil

# Annual Report 2016-2017

## 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**

**Alok Singh**  
**Company Secretary**

**Place: Mumbai**  
**Date: 30th May, 2017**

# 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]

### 9th ANNUAL GENERAL MEETING ON SEPTEMBER 12, 2017

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 9th Annual General Meeting of the Company, to be held on Tuesday, September 12, 2017 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 Shri J K Devgupta who retires by rotation
4. Re-appointment of Statutory Auditors and fixing their remuneration
5. Special Resolution under Section 20 of the Companies Act, 2013 authorising Company to charge for service of documents to members of the Company

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

\* 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 9th Annual General Meeting of the Company, to be held on Tuesday, September 12th, 2017 at 3:30 p.m. at M. C. Chia 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)	170801015
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Notes:

1. Please read the instructions printed in Note No. (m) to the Notice of 9th Annual General Meeting dated September 12, 2017. The Voting period starts from **Saturday, 9.9.2017 at 10:00 a.m** and ends on **Monday, 11.9.2017 at 5:00 p.m.** 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.