



KESAR ENTERPRISES LIMITED

Regd. Off: Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai-400 020, India. Website : <http://www.kesarindia.com>
Phone : (+91-22) 22042396 / 22851737 Fax : (+91-22) 22876162 E-mail : headoffice@kesarindia.com
CIN : L24116MH1933PLC001996

18th August, 2016

To,

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

Sub: Annual Report

This is to inform you that the 81st Annual General Meeting of the Company was held on Thursday, 11th August, 2016 at 11:00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001.

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 we are forwarding herewith Annual Report of the Company for the Financial Year ended on 31.3.2016.

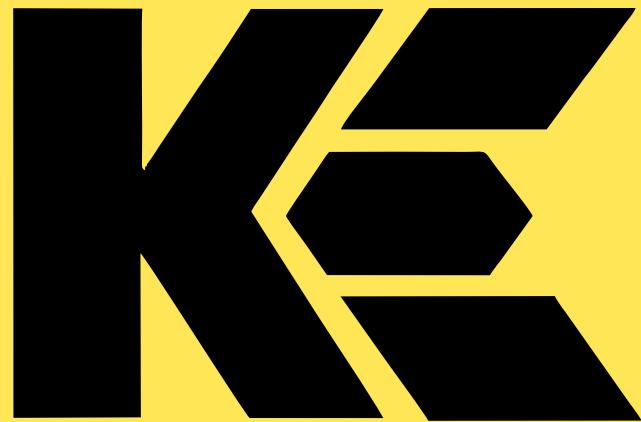
Kindly put the same on your notice board for the information of the Members and Shareholders of the Company.

Thanking you,

Yours faithfully,
For Kesar Enterprises Ltd.

Rohit Balu
Chief Financial Officer

Encl: As above



81st Annual Report
2015~16
(15 Months)

KESAR ENTERPRISES LIMITED



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(Incorporated under the Indian Companies Act VII of 1913)
CIN: L24116MH1933PLC001996

COMPANY INFORMATION

BOARD OF DIRECTORS

H R KILACHAND	(Chairman & Managing Director)
A S RUIA	(Independent Director – upto 29.4.2016)
AJEEET PRASAD	(Independent Director – Expired on 23.3.2016)
PRAKASH DUBEY	(Independent Director)
P NAYAK	(Nominee Director – GIC upto 15.5.2015)
D J SHAH	(Director & Company Secretary)
M A KUVADIA	(Independent Director – w.e.f. 11.7.2016)

CHIEF FINANCIAL OFFICER (CFO)

ROHIT BALU

BANKERS

Allahabad Bank
Uttar Pradesh Co-operative Bank Limited
UCO Bank

AUDITORS

M/s. Haribhakti & Co. LLP, Chartered Accountants

SUGAR FACTORY, SPIRITS AND POWER PLANT

Baheri, Dist. Bareilly, U.P.

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENTS

SHAREX DYNAMIC (INDIA) PVT. LTD.
Unit No.1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri (East), Mumbai - 400 072

AUDIT COMMITTEE MEMBERS

A S RUIA	(Chairman - upto 29.4.2016)
AJEEET PRASAD	(Expired on 23.3.2016)
PRAKASH DUBEY	(Independent Director - Chairman w.e.f. 25.5.2016)
H R KILACHAND	(Chairman & Managing Director Member w.e.f. 11.7.2016)
M A KUVADIA	(Independent Director – Member w.e.f. 11.7.2016)

Annual Report 2015-2016 (15 Months)

NOTICE

NOTICE is hereby given that the 81st Annual General Meeting of the Members of KESAR ENTERPRISES LTD. will be held on Thursday, 11th August, 2016 at 11:00 a.m. at M C Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001 to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet for the 15 months period as at 31st March, 2016 and Statement of Profit & Loss for the period ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri D J Shah [DIN 03095028], who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and, if though fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, (including any modifications or re-enactment thereof for the time being in force) and the Rules framed thereunder and as recommended by the Audit Committee, M/s. Haribhakti & Co. LLP, Chartered Accountants (Registration No.103523W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 4th consecutive AGM of the Company to be held in the calander 2019 (subject to ratification of Appointment by the Members at every AGM held after this AGM) on a remuneration of Rs.6,50,000/- plus reimbursement of travelling and other out of pocket expenses incurred by them in performance of their duties."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment(s) thereof, for the time being in force) and the SEBI (LODR) Regulations and as per Article 89 of the Articles of Association of the Company, Shri Mahesh Ambalal Kuvadia (DIN: 07195042) who was appointed as an Additional Director by the Board of Directors on 11.7.2016 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing Shri Mahesh Ambalal Kuvadia as candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for the 1st Term of 5 (five) consecutive years effective from 11.7.2016 up to the conclusion of the 86th Annual General Meeting of the Company, not liable to retire by rotation."

5. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment(s) thereof, for the time being in force), the appointment and payment of remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses to M/s. R M Bansal & Co., Cost Accountant, Kanpur (Registration No.0000022) as Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors to conduct the audit of the Cost Records of the Company relating to Sugar & Industrial Alcohol and Electricity for the year ending 31st March, 2017, be and is hereby ratified by the Members."

"RESOLVED FURTHER THAT Shri D J Shah, Director & Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including filing of prescribed forms with the Registrar of Companies."

6. To consider and if thought fit, to pass, with or without modifications, the following resolutions as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including, any statutory amendment, modification or re-enactment thereof and other

requisite approvals as may be necessary, and also subject to approval of the Central Government, if required, approval be and is hereby granted for reappointment of Shri H R Kilachand as a Whole-Time Director designated as "Chairman & Managing Director" of the Company, entrusted with substantial powers of the management, for a period of 3 years from 14.8.2016 to 13.8.2019, on a remuneration as per Schedule V of the Act, and on the terms and conditions as specifically set out below:

I. Salary:

Salary of Rs.2,50,000/- per month or Rs.30,00,000/- per annum or the salary as revised by the Board, in the event of any higher limit as revised from time to time under the Act, inclusive of Perquisites as Remuneration as per Schedule V.

II. Perquisites:

Shri H R Kilachand would be entitled to the following perquisites, which shall form part of the above mentioned Salary:

- i House Rent Allowance @ 60% of the Salary.
- ii Medical reimbursement upto the limit under the Income Tax Act.
- iii Leave and Leave accumulation as per rules of the Company.
- iv Leave Travel Concession for self and family once in a year subject to one months' Salary per annum.
- v Mediclaim and Personal accident insurance premium as per rules of the Company.
- vi Club Membership Fees for 2 clubs
- vii The Company shall provide a car with driver or reimburse the Driver's Salary, for the Company's business, the expenditure on which shall not be considered as perquisite.
- viii The Company shall provide communication facilities such as mobile, telephone, internet etc. the expenditure on which shall not be considered as perquisite. However, long distance personal calls shall be billed by the Company.

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

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

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

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

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

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

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

Registered Office:

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

11th July, 2016

By Order of the Board of Directors

D J SHAH
Director & Company Secretary
DIN: 03095028

Notes:

- a) A member, entitled to attend and vote at the Annual General Meeting, is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a Member. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy for not exceeding 50 Members 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 Member.

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- b) The Register of Members and Share Transfer Books of the Company shall remain closed from **Thursday, 4th August, 2016** to **Thursday, 11th August, 2016** (both days inclusive) for the purpose of Annual General Meeting. The Shareholders are requested to inform of change in address, if any, at the earliest.
- c) The Unclaimed Dividends upto the financial year 2007-08, have been transferred to the Investor Education and Protection Fund (Fund) set up by the Central Government pursuant to Section 125 of the Companies Act, 2013. The unclaimed Dividend for the year 2008-09 will be transferred to the Fund on or before 27.1.2017.
- d) The Members may lodge their shares for transfer / transmission with the office of M/s. Sharex Dynamic (India) Pvt. Ltd., the Registrar and Transfer Agents at their office 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 dematerialised 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 (MCA), Government of India (GOI), 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 MCA, the Notice of 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. The 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 a part of the Green Initiative in Corporate Governance. The said information / request can be sent by members to M/s. Sharex Dynamic (India) Pvt. Ltd., the Registrar and Transfer Agents through email id **sharexindia@vsnl.com** or the Company's email id **djs@kesarindia.com**.
- k) Brief resume of Shri D J Shah, the retiring Director, is provided in the Corporate Governance Report forming part of the Annual Report.
- l) **E-Voting:**

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 81st 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 will begin on **Monday, 8.8.2016 at 00:01 hrs.** and end on **Wednesday, 10.8.2016 at 23:59 hrs.** During this period, the Shareholders of the Company, holding shares either in physical form or in dematerialized form, **as on the cut-off date of 4.8.2016**, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-Voting website **www.evotingindia.com**.
- (iii) Click on "**Shareholders**".
- (iv) Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on **Login**.
- (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier

voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	<ul style="list-style-type: none"> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Date of Birth (DOB)	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If 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 **EVSN for Kesar Enterprises Ltd.** 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 out print of the voting done by you by clicking on “**Click here to print**” option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

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- The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions (“FAQs”) and e-Voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**.

(xxi) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(xxii) M/s Ragini Chokshi & Co., Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner. The Scrutinizer shall within a period of 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.

(xxi) The Results declared at the AGM of the Company along with the Scrutinizer’s Report shall be placed on the Company’s website **www.kesarindia.com** and on the website of CDSL within 3 (three) 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 as required under Section 102 of the Companies Act, 2013

Items No.4: Appointment of Shri Mahesh Ambalal Kuvadia as an Independent Director of the Company

The present strength of the Board of Directors of the Company has fallen to three (3) consisting of one (1) Executive Director; one (1) Whole-Time Director and one (1) Independent Director. Shri Ajeet Prasad, Independent Director expired on 23.3.2016. Shri A S Ruia Independent Director resigned as Director w.e.f. 29.4.2016. Thus, the number of Non-Executive/ Independent Directors has fallen below the minimum number as required under Rule 17 of the SEBI (LODR) Regulations 2015. It is therefore proposed to appoint Shri Mahesh Ambalal Kuvadia as an Independent Director of the Company for a 1st term of 5 years from the date of his appointment.

In terms of Articles 89 of the Articles of Association of the Company, Shri Mahesh Kuvadia was appointed as an Additional Director on 11.7.2016 and his term expires at this Annual General Meeting. Shri Kuvadia is 63 years of age. He is B.Com, LLB, FCS by qualification. He had a steady career growth with Government of India in its various Departments over a period of 36 years. He retired as Regional Director, Ministry of Corporate Affairs (MCA), equivalent to Joint Secretary to Government of India where he worked as Registrar of Companies, Official Liquidator and held other eminent positions. Shri Kuvadia was on the Boards of Ahmedabad, Rajkot and Vadodara Stock Exchanges as the Nominee Director representing Government of India. He has also represented the Ministry as a Member of “Frauds Committee” at United Kingdom. His insightful articles have appeared in various journals and monthly bulletins of ICSI. He has also been a regular speaker on topics of corporate sector at FICCI, Assocham, ICSI, ICAI, ICWAI and other industry forums.

A brief profile of Shri M A Kuvadia is as under:

DIN	07195042
Birth Date	1.11.1953
Nationality	Indian
Board Appointment	11.7.2016
Qualification	B.Com, LLB, FCS
Experience	He has vast experience with the Government of India in various Departments over the last 36 years. He retired as Regional Director, Ministry of Corporate Affairs (MCA). Shri Kuvadia has also served on the Boards of Ahmedabad, Rajkot and Vadodara Stock Exchanges as a Nominee Director of Government of India. He has also represented the Ministry as a member of “Frauds Committee” at United Kingdom.
Relationship	Independent Director
Shareholding	--
Relationship with other Director	--
List of other Directorship	Krishant Multitrade Private Limited Kapstone Constructions Private Limited

KESAR ENTERPRISES LIMITED

As per Section 152(5) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment & Qualification of Directors) Rules, 2014, Shri Kuvadia has given his consent in Form DIR-2. In the opinion of the Board, he fulfils the conditions specified under the Act.

As per Section 149(7) of the Companies Act, 2013, Shri Kuvadia has given a declaration that he meets with the criteria of independence as provided in sub-section (6).

As per Section 164 of the Companies Act, 2013, read with Rule 14 of the Companies (Appointment & Qualification of Directors) Rule, 2014, Shri Kuvadia has informed the Company in Form DIR-8 that he is not disqualified under Section 164(2).

As per Section 184 read with Rule 9 of Companies (Meeting of Board & its Powers) Rules, 2014, Shri Kuvadia has disclosed his concern or interest in other Company or Firm, or other Association of Individuals including the Shareholding in Form MBP-1.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing appointment of Shri M A Kuvadia.

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

The Board recommends the Ordinary Resolution as set out at Item No.4 of the Notice for your approval.

Items No.5 Appointment/ Remuneration of M/s. R M Bansal & Co. as Cost Auditor

Pursuant to Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the appointment of and remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the Shareholders of the Company.

The Board, on the recommendations of the Audit Committee, has approved the appointment and payment of remuneration of Rs.50,000/- (Rs. 85000/- for previous 15 months) to M/s. R M Bansal & Co., Cost Accountant, Kanpur (Regn. No.000022), as Cost Auditor for conducting cost audit of the cost records of the Company relating to Sugar & Industrial Alcohol and Electricity for the year ending 31st March, 2017.

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 Resolution as set out at Item No.5 of the Notice for your approval.

Item No.6: Reappointment of Shri H R Kilachand as Chairman & Managing Director

The last reappointment of Shri H R Kilachand as Chairman & Managing Director was made at the 79th Annual General Meeting held on 8.10.2013 for a period of 3 years with effect from 14.8.2013 to 13.8.2016, on a remuneration by way of Salary Rs.3,00,000/- per month plus perquisites in accordance with Schedule XIII to the Companies Act, 1956. Shri H R Kilachand was also reappointed on 11.7.2013 by the Members of Kesar Terminals & Infrastructure Ltd. [KTIL] as Whole-Time Director designated as "Executive Chairman" of KTIL, on a remuneration as per Schedule XIII to the Companies Act, 1956. He was drawing his remuneration of KTIL part only and had stopped drawing from the Company voluntarily since March, 2014 in view of the heavy losses suffered by the Company for the last few years.

Shri Kilachand had resigned from KTIL on 29.4.2016 as Executive Chairman for his personal reasons. Since then, he is an Executive Director of the Company (KEL) only, though he is not drawing any remuneration from the Company voluntarily since March 2016.

The existing term of appointment of Shri H R Kilachand as Chairman & Managing Director is up to 13.8.2016, which requires his reappointment on or before 13.8.2016 on such remuneration as may be approved by the Nomination & Remuneration Committee. Since, there was no quorum of the Nomination & Remuneration Committee, the Board has made his reappointment.

Pursuant to Section 196 of the Act, he is proposed to be reappointed as the Managing Director designated as Chairman & Managing Director. As per Section 197 read with Schedule V, his reappointment has to be made on the terms & conditions as approved by the Board, subject to approval of the Members of the Company at the ensuing Annual General Meeting and also subject to approval of the Central Government, if required.

Since the Company has made a loss in the previous financial year, the Company can pay remuneration within the ceiling limit calculated on the basis of Effective Capital of Company. The present Effective Capital of Company is negative, therefore, the maximum limit of remuneration can be paid is Rs.2.50 lac per month or Rs.30 lac per annum.

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The Company has made default in repayment of its debts for a continuous period of (30) thirty days in the preceding financial year. Hence, the Company may have to obtain approval of the Central Government.

While considering, the Board has taken into account relevant provisions of the Companies Act, 2013, financial position of the Company, trend in the Industry, his qualification, experience, past performance, past remuneration, etc. and brought about objectivity in determining his remuneration package while striking a balance between the interest of the Company and the Shareholders.

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

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

DIN	00294835
Birth Date	4.5.1960
Nationality	Indian
Board Appointment	14.8.1997
Qualification	B.Com. from University of Bombay and C.B.M. & P.D.B.M., U.S.A.
Experience	<p>He joined the Company on 8.8.1985 as "Executive". He was entrusted with the duties of Administration & Co-ordination work of the Company and also to plan & supervise projects for modernisation and expansion of Company's activities. He contributed a lot in his first decade towards the growth of the Company. He had efficiently carried out the duties entrusted to him, including completion of the expansion & modernisation of Sugar Factory, Distillery, ENA & IMFL Plants and also a Second Storage Terminal at Kandla.</p> <p>On 6.3.1997, he was appointed as a "Joint Managing Director". Subsequently, after the death of his father, w.e.f. 14.8.1997 he has been working as Chairman & Managing Director of the Company.</p>
Relationship	Key Managerial Personnel
Shareholding	5,56,352 (6.45%) Shares Equity Shares
Relationship with other Director	-
List of other Directorship	India Carat Private Limited Kilachand Devchand And Company Private Limited Seel Investment Private Limited Kilachand Devchand Commercial Private Limited

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

I	General Information	
1	Nature of industry	Sugar Industry
2	Date or expected date of commencement of commercial production	16th October, 1933
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.
4	Financial performance based on given indicators as per audited financial results for 15 Months period ended 31.3.2016 Turnover & Other Income Net Loss as per Profit & Loss Account Profit as computed under Section 309 (5) read with Section 198 of the Companies Act, 1956 Net worth	Rs.31,959.39 Lac Rs. 5,322.22 Lac (Rs.15,804.60 Lac)
5	Foreign investments or collaborations, if any.	-

KESAR ENTERPRISES LIMITED

II Information about the appointee:		
1	Background details	He joined the Company on 8.8.1985 as "Executive". He was entrusted with the duties of Administration & Co-ordination work of the Company and also to plan & supervise projects for modernisation and expansion of Company's activities. He contributed a lot in his first decade towards the growth of the Company. He had efficiently carried out the duties entrusted to him, including completion of the expansion & modernisation of Sugar Factory, Distillery, ENA & IMFL Plants and also a Second Storage Terminal at Kandla. On 6.3.1997, he was appointed as a "Joint Managing Director". Subsequently, after the death of his father, w.e.f. 14.8.1997 he has been working as Chairman & Managing Director of the Company.
2	Past remuneration	Rs.35.56 lac per annum from KEL only. Shri H R Kilachand was drawing his remuneration only from KEL and had stopped drawing from the Company (KEL) voluntarily since March 2014 in view of the heavy losses suffered by the Company for the last few years.
3	Recognition or awards	--
4	Job profile and his suitability	He is a Key Managerial Personnel as the Managing Director. Taking into consideration his vast experience Shri H R Kilachand is best suited for the assigned role.
5	Remuneration proposed	Rs.2.50 lac per month or Rs.30 lac per annum as per Schedule V read with Section 197 of the Companies Act, 2013.
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration commensurates with size and nature of business of the Company and the responsibilities of the appointee. The remuneration do differ from Company to Company in the industry depending on the respective operations.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He is the Promoter Director.
III Other information:		
1	Reasons of loss or inadequate profits	High payment of sugarcane price raised by the State Goverment and low realisation on sale of sugar resulted in loss.
2	Steps taken or proposed to be taken for improvement	Company had filed a reference with BIFR u/s 15 (1) of SICA (SP) Act, 1985. Thereafter, the Registrar of BIFR had registered the reference filed by the Company as Case No.121/2015. In the matter, an enquiry under Section 16 of SICA (SP) Act, 1985 is pending before BIFR.
3	Expected increase in productivity and profits in measurable terms.	---
IV Disclosures:		
		The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual report in the Corporate Governance Report.

Save and except Shri H R Kilachand and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution as set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution for your approval.

Registered Office:

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

11th July, 2016

By Order of the Board of Directors

D J SHAH
Director & Company Secretary
DIN: 03095028

Annual Report 2015-2016 (15 Months)

DIRECTORS' REPORT

To
The Shareholders,
Kesar Enterprises Ltd.

Dear Members,

Your Directors present to you the 81st Annual Report and audited Statement of Accounts for the 15 month period ended 31st March, 2016.

Alignment of Financial Year

As per Section 2(41) of the Companies Act, 2013, to follow a homogeneous Financial Year starting from 1st April to 31st March of the following year, the Financial Year of the Company is made for 15 months i.e. from 1.1.2015 to 31.3.2016. The next Financial Year will be for 12 months.

FINANCIAL RESULTS:

(Rs. in Lac)

	2015-16 [15 Months] 1.1.2015 to 31.3.2016	2013-14 [18 Months] 1.7.2013 to 31.12.2014
Profit / (Loss) before interest, depreciation & taxation	(1,887.63)	(3,928.00)
Less: Interest and Finance Charges.....	4,210.33	5,719.21
Profit / (Loss) before Depreciation & taxation (Cash Loss).....	(2,322.70)	(9,647.21)
Less: Depreciation.....	2,582.51	2,354.74
Less: Taxation (Deferred Tax)	417.01	0
Profit / (Loss)	(5,322.22)	(12,001.95)

For the 15 months period Financial Year 2015-16, there is a loss of Rs.5,322.22 lac as against a loss of Rs.12,001.95 lac in the previous year for 18 months period.

The Company, over the last few years, has been incurring huge cash losses, due to which its net worth has been eroded and its current liabilities are in excess of current assets. The sugar industry is facing difficulties on account of high sugar cane prices set by the State Government, lower sugar prices and consequential inadequate recovery of cost of production. These factors have adversely affected the Company's operations and financial performance. The finance cost has further added to the accumulated cash losses.

In view of the above, your Directors have not recommended any dividend for the year 2015-16.

WORKING OF THE DIVISIONS

Sugar Division

The crushing for the Season 2015-16 started on 27.11.2015 i.e. 5 days earlier as compared to 2.12.2014 in the previous season and ended on 24.2.2016 as against 19.3.2013, 24 days earlier than the previous season. During the season, the plant crushed 44.47 lac quintals of sugarcane in 89 days as against 61.77 lac quintals in 107 days in the previous season. The crushing was lower by 17.30 lac quintals during this season due to a short period of crushing caused by lack of availability of sugarcane. The sugar recovery overall was higher at 10.19% as against 9.57% in the previous season. The production of sugar was lower at 4.58 lac quintals as against 5.94 lac quintals in the previous season.

For the Season 2015-16, the Central Government had announced Fair & Remunerative Price [FRP] of sugarcane at Rs.230/- a quintal at a base recovery of 9.50%. The U P Government had announced a State Advised Price (SAP) of sugarcane of Rs.280/- a quintal, the same as that in the previous season. The said price was to be paid to the farmers in two instalments. The 1st instalment was to be paid within 14 days @ Rs.230/- a quintal. The 2nd installment of Rs.50/- a quintal was to be paid within 3 months after crushing came to an end. The State Government had announced a reimbursement and subsidy of Rs.11.70 a quintal with a break-up of society commission @ Rs.6.90 a quintal; purchase tax @ Rs.2/- a quintal; entry tax on sugar @ Rs.2.80 a quintal. In addition to this, the U P Government had linked its additional support a maximum of Rs.23.30 a quintal to the average price of sugar and its byproducts and decided that if the price of sugar and its by-products viz. Sugar, Molasses, bagasse, Press Mud go below or above the benchmark prices viz. Rs.3,100/-; Rs.390/-; Rs.167/- & Rs.26/- per quintal respectively, during 1.10.2015 to 31.5.2016, it would either increase the support or reduce it in proportion. The average price of sugar from October 2015 till May 2016 in UP was Rs.3,013 per quintal.

Apart from this, to support the distressed Sugar Industries, the Central Government announced an export subsidy of Rs.4.50 per quintal of cane for the factories who export 80% of minimum indicated export quota of average sugar production based on current season and preceding two sugar seasons.

The Company is eligible for this export subsidy @ Rs.4.50 per quintal on cane purchase during the season 2015-16 as it has completed the mandated 80% of Minimum Indicative Export Quota (MIEQ) provided by the Ministry before the date of withdrawal of scheme.

The cost of production in U.P. became the highest in the country, which rendered the U. P. Sugar Industry unviable, cash-starved and uncompetitive. There is an urgent need to rationalize the cane pricing policy in U.P. and adopt a 'linkage formula' as recommended by the Rangarajan Committee linking sugar cane price to sugar prices. The two major sugar producing States i.e. Maharashtra and Karnataka, who together contribute for almost 50% of the country's sugar production, have adopted and implemented the 'linkage formula' for determining cane price. It is understood that a team of senior officials from U.P. had visited Maharashtra and Karnataka to study their cane pricing system and have submitted their report to the State Government but no decision is taken till date in the matter. The U P Government had announced to form a high level committee to determine a fair Sugarcane Pricing Policy. This is the only long term solution for stability & viability of the sugar industry.

During the Season 2015-16, Molasses produced was 2.10 lac quintals as against 2.91 lac quintals.

The UP Government had announced its Molasses Policy for 2015-16 (November-October), wherein the molasses reservation rate for the Country Liquor manufacturers had been reduced from 34% to 15% and the same has been recently increased to 25%. The Policy had been specifically formulated to help country liquor manufacturers, which was required to reserve a part of their total molasses production for the Country Liquor manufacturers at a rate, much lower than the market specified prices.

During the current period, there has been a sharp increase in sugar prices from levels prevailing in December 2015. This has resulted in the Company generating operational profits for the quarter ended March 31, 2016. The industry outlook is also positive in the short term and long term with sugar prices expected to hold.

Power Division

During the Sugar Season 2015-16, the Plant started on 27.11.2015 as against 30.11.2014 and operated for 93 days, lesser by 22 days due to lower crushing of sugarcane, as against 115 days in the previous Season. The Plant consumed 1.27 lac MT of bagasse as fuel to generate 0.69 lac MW as against 1.71 lac MT of bagasse as fuel to generate 0.91 lac MW in the previous Season. The total power exported to the grid was 0.49 lac MW amounting to Rs.27.05 crore as against 0.65 lac MW amounting to Rs.35.51 crore in the previous Season.

Spirits Division

During the 15 months period under review, the production of Rectified Spirit (RS) was 23.16 lac bulk litres as against 129.54 lac bulk litres in 18 months period of the previous year. The production of Extra Neutral Alcohol (ENA) was 17.07 lac bulk litres as against 59.72 lac bulk litres in 18 months period of the previous year. The quantity of Country Liquor supplied was 5.50 lac cases as against 14.85 lac cases in 18 months period of the previous year.

The Spirits Division was put out of operations as the Company needs to install multiple effect evaporation system to reduce the effluent volume as well as modification in Reverse Osmosis Plant & Bio-composting, which would enable the Distillery to become zero discharge compliant. As the Company does not have such capability, the Company has voluntarily taken a shut down for Distillery operations since October 2015. Hence, the Molasses was sold directly in the market.

SUBSEQUENT FINANCIAL YEAR 2016-17

Sugar Division

The crushing for the Season 2016-17 is expected to start in the last week of November 2016.

During the Financial Year 2016-17, there may be a steady increase in sugar prices. This will result into the Company generating operational profits gradually. The industry outlook is also positive in the short term and long term with sugar prices expected to increase further due to a lower production of sugar.

Power Division

The Cogen Power Plant is also planned to start in the last week of November 2016.

Annual Report 2015-2016 (15 Months)

SHARE CAPITAL

As you are aware, the Annual Accounts for the year 2012-13 had reported a loss of Rs.1668.20 lac, which resulted in reducing the Net Worth of the Company. The Promoters / Promoter Group Companies had given non-interest bearing unsecured loans amounting to Rs.11,30,00,000/- to the Company as per the requirement of the Lending Bankers out of which the Company had converted earlier Rs.8,23,50,000/- into Equity Shares through Optionally Convertible Preference Shares Issue leaving the balance Unsecured Loan amount of Rs.3,06,50,000/-. Considering the immediate need of the Company to take steps to improve its net worth, as per the SEBI Regulations, on 27.3.2014, the Company had allotted 30,65,000 Zero Coupon Optionally Convertible Preference Shares ("OCPS") of Rs.10/- each aggregating to Rs.3,06,50,000/- to the Promoters / Promoter Group on Preferential basis with an option to convert the OCPS into Equity Shares of Rs.10/- each at a price of Rs.21/- per Equity Share (including premium of Rs.11/-) within a period of 18 months from the date of allotment of OCPS, in one or more tranches.

During the Financial Year 2015-16, on exercise of option to convert the balance 1,69,092 OCPS by the Promoter Group, on 4.8.2015 the Company had allotted 80,520 Equity Shares of Rs.10/- each at a price of Rs.21/- per Equity Share (including premium of Rs.11/-) aggregating to Rs.16,90,920/-. The balance 8 OCPS were cancelled. Thus, the Issued, Subscribed & Paid up Equity Share Capital of the Company stands increased from 99,99,162 Equity shares of Rs.10/- each aggregating to Rs.9,99,91,620/- to 1,00,79,682 Equity shares of Rs.10/- each aggregating to Rs.10,07,96,820/-. The total shareholding of the Promoters & Persons acting in concert with the Promoter & Promoter Group stands increased from the existing 69.764% to 70.005%. The Company has obtained the necessary Listing & Trading approvals from BSE & NSE for the same.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Shri P Nayak (Nominee of General Insurance Corporation [GIC]), Director of the Company had resigned with effect from 15.5.2015 as GIC had withdrawn his Nomination, Shri Ajeet Prasad expired on 23.3.2016; Shri A S Ruia resigned as Director of the Company with effect from 29.4.2016 due to personal reasons.

The Board of Directors placed on record its sincere appreciation for the valuable support and guidance given by Shri P Nayak, Late Shri Ajeet Prasad and Shri A S Ruia to the Company during their tenure as Director of the Company.

Pursuant to Section 152 of the Companies Act, 2013, Shri D J Shah, Director & Company Secretary 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 D J Shah retiring by rotation forms part of the Corporate Governance Report.

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

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

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

Shri A S Ruia resigned as Director of the Company with effect from 29.4.2016 due to personal reasons.

On 11.7.2016, the Board has reappointed Shri H R Kilachand as the Managing Director of the Company designated as the Chairman and Managing Director, subject to approval of the Shareholders at the ensuing Annual General Meeting [AGM] and also of the Central Government, if required, for a further period of 3 years with effect from 14.8.2016 on a remuneration within the limits prescribed under the Companies Act, 2013 and Schedule V thereof. Shri Kilachand has not been drawing any remuneration from the Company since March 2014 in view of the heavy operational losses incurred by the Company.

On 11.7.2016, the Board has appointed Shri Mahesh A Kuvadia as an Additional Director of the Company and whose term of office is upto the ensuing AGM. His appointment as an Independent Director of the Company, for the 1st term of 5 years, is proposed at the ensuing AGM. As per the SEBI (LODR) Regulations 2015, brief profile of Shri Mahesh A Kuvadia, proposed to be appointed as Independent Director forms part of the Annexure to the Notice of the ensuing AGM.

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in preparation of the annual accounts for the 15 months period financial year ended on 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss 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 15 months period financial year ended on 31st March, 2016 on a going concern basis.
- v) that the Directors have laid down proper internal financial controls in place and that such internal financial controls are adequate and were operating effectively.
- vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

There are no contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 and hence Form AOC-2 is not annexed. The Members may refer Note-40 to the Notes to Accounts for further details of routine transactions entered into with the Related Parties.

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.kesarindia.com/Investor's Corner / Policies](http://www.kesarindia.com/Investor's%20Corner%20%2F%20Policies).

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 Accounts.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

The Company had filed a reference with BIFR, under Section 15 of SICA, on 15.5.2015. Thereafter, BIFR intimated the Company by a letter dated 21.9.2015 that the said reference was registered and as per the decision of the Board, the Company has been restrained from disposing of or alienating in any manner any fixed assets of the Company without the consent of the Board. The Company has filed an Appeal before Appellate Authority for Industrial and Financial Reconstruction [AAIFR] against the said decision of BIFR, and is awaiting the decision at the next hearing thereof. The process of revival/ rehabilitation of the Company is under way in line with the prescribed procedures and rules under SICA.

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 Secretarial Auditors confirming the compliance, is also annexed and forms part of the Annual Report.

Annual Report 2015-2016 (15 Months)

INSIDER TRADING

In compliance with the SEBI regulation on prevention of Insider Trading, your Company has framed a comprehensive code which lays down guidelines and advises the Directors and employees of the Company on procedures to be followed and disclosures to be made, while dealing in securities of the Company. During the year under review, the Company adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the Code of Conduct for Prohibition of Insider Trading in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

SEXUAL HARASSMENT POLICY

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

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

Particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 are given in the **Annexure "A"** forming part of this Report. During the year under review, there were no foreign Exchange Earnings (Previous year Nil) and Foreign Exchange Outgo was Nil (Previous Year Rs. 15763/-).

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 Fixed Deposits w.e.f. 1.4.2014. Further, as per Section 74(1) of the Companies Act, 2013, the Company was required to repay the existing Fixed Deposits on or before 31.3.2015. However, as per Section 74(2) of the Act, the Company had filed a petition with the Company Law Board, Mumbai Bench for extension of time to repay Fixed Deposits maturing after 31.3.2015. The approval for the same is awaited.

As on 31.3.2016, the outstanding Fixed Deposit principle amount is Rs.71,23,000/-, Rs.18,93,000/- remained unclaimed in respect of 33 Fixed Deposit holders.

AUDITORS

In terms of the provisions of the Section 139(1) of the Company's Act 2013, the appointment of M/s Haribhakti & Co. LLP, Chartered Accountants is placed for approval by the Shareholders.

AUDITORS' REPORT

With respect to para (viii) of the annexure to Auditors' Report, the Shareholders may note that the Company had filed a Reference with Board for Industrial and Financial Reconstruction (BIFR) as required under Section 15 of "The Sick Industrial Companies (Special Provisions) Act, 1985" (SICA) and the said reference has been registered by BIFR on 21/09/2015. The process of revival/ rehabilitation of the Company is under way in line with the prescribed procedures and rules under SICA.

However, under the Companies Act, 2013, as per Section 253, sickness of a Company will be determined not on the basis of whether Accumulated Losses exceed Net Worth but on the basis of whether, on a demand by the secured creditors of the Company representing 50% or more of its outstanding amount of debt, the Company has failed to pay the debt within a period of 30 days of the service of the Notice of Demand. In such event, the said secured creditor may file an application to the National Company Law Tribunal [Tribunal] along with the relevant evidence for such default, non-repayment or failure to offer security or compound it, for a determination that the Company be declared as a Sick Company.

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 Auditors M/s. Ashok Jayesh & Co., Chartered Accountants to review critical areas of operations. The Audit Reports are reviewed periodically by the management and the Audit Committee of the Board and appropriate measures are taken to improve the process.

COST AUDITOR

Pursuant to the directives of the Central Government under Section 233B of the Companies Act, 1956, the Board had



appointed Mr. Rishi Mohan Bansal, Cost Accountant as Cost Auditor of the Company to conduct Cost Audit for the products 'Sugar & Alcohol' and 'Electricity Generation' for the 15 months period ended 31.3.2016. The Cost Audit Report for the same will be submitted to the Central Government before the due date.

Similarly, pursuant to Sections 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, as recommended by the Audit Committee and approved by the Board of the Company, the appointment and payment of remuneration to M/s. R M Bansal & Co., Cost Accountant, Kanpur, as Cost Auditor is proposed at the ensuing Annual General Meeting, to conduct the audit of the cost records of the Company relating to Sugar & Industrial Alcohol and Generation of Power for the 12 months period ending 31st March, 2017.

EXTRACT OF ANNUAL RETURN

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

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Ragini Chokshi & Co., Practicing Company Secretary, as Secretarial Auditor of the Company to undertake the Secretarial Audit and provide Secretarial Audit Report in Form MR3. The Report of the Secretarial Audit Report is annexed herewith as **Annexure- "C"**. There are no qualifications, reservations or remarks in the Secretarial Audit Report except that the Company has no Women Director.

The Board hereby clarifies that the Company has been trying since long to get a Women Director but is not able to get as the financial condition of the Company has deteriorated over a period of time and also the fact that the Company has filed a Reference with BIFR. However, attempts are being made shortly to induct a Women Director.

CORPORATE SOCIAL RESPONSIBILITY

Though your Company is not falling within the criteria prescribed under Section 135 of the Companies Act, the Company has continued to play its role as a responsible corporate citizen, adding value to society and addressing the contemporary societal needs and challenges. The Corporate Social Responsibility philosophy ensures that while business objectives are met and shareholder value is enhanced, the Company equally focuses on engaging with the wider community and sustainably addressing environmental concerns in its sphere of operations.

MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

The Management Discussion & Analysis Report, is annexed and forms part of this Annual Report as required under Regulation 34 of the SEBI (LODR) Regulations, 2015. A separate section on Corporate Governance, along with a Certificate from the Secretarial Auditors confirming the compliance, is also annexed and forms part of the Annual Report.

EMPLOYEES

Relation with the employees remained cordial throughout the year. Your Directors place on record their sincere appreciation for the devoted services of the employees of the Company.

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 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 would like to place on record their grateful appreciation for the assistance and cooperation extended by the Banks, Financial Institutions and the wholehearted support extended by the Shareholders during the year under review.

By Order of the Board of Directors

H R KILACHAND

Chairman & Managing Director

DIN: 00294835

11th July, 2016

Annual Report 2015-2016 (15 Months)

Pursuant to Section 134(3)(m) of the Companies Act, 2013 Forming part of the Directors' Report

Annexure "A"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

1. We have replaced steam driven drives with electric drives with the latest technology with VFDs along with automation through Distributed Control System (DCS). The electric drives consume much less energy to drive the mills and thereby results in additional saving of bagasse ultimately benefiting by an increase in power sales.
2. After reviewing the benefits of Mono Magnetic System installed in the previous year, we have added few more such systems in our process.

A.	POWER AND FUEL CONSUMPTION		2015-16 (15 months) (1.1.2015 to 31.3.2016)	2013-14 (18 months) (1.7.2013 to 31.12.2014)
1.	ELECTRICITY			
a	Purchased			
	Unit	Kwh	7,48,774	11,60,104
	Total Amount	Rs.	97,89,856	1,22,66,043
	Rate/Unit	Rs.	13.07	10.57
b	Own Generation			
	i) THROUGH DIESEL GENERATOR			
	Unit	Kwh	23,275	62,476
	Units Per Ltr. Of Diesel Oil	Kwh	3.14	3.13
	Rate / Unit	Rs.	17.49	18.54
	ii) THROUGH STEAM TURBINE			
	Unit	Kwh	13,50,34,900	12,62,00,006
	Units Per M. T. of Steam	Kwh	186.14	194.11
	Rate / Unit *	Rs.		-
2.	COAL			
	Quantity	M.T.		-
	Cost#	Rs.		-
	Average Rate#	Rs.		-
3.	BAGASSE (OWN)			
	Quantity	M.T.	2,49,397.00	2,27,930.38
	Cost #	Rs.	-	-
	Average Rate #	Rs. (M.T.)	-	-
4.	OTHER FUEL BAGASSE (Outside)			
	Quantity	M.T.	20,264	21,394
	Cost #	Rs.	35,07,296.34	1,70,24,961
	Average Rate#	Rs.	1,737	796
5.	Rice Husk			
	Quantity	M.T.	-	537.40
	Cost	Rs.	-	21,13,506
	Average Rate	-	-	3,932.84
6.	Cane Trash			
	Quantity	M.T.	-	-
	Cost	Rs.	-	-
	Average Rate	Rs.	-	-
7.	H. S. DIESEL			
	Quantity	Ltr.	7,408	19,950
	Cost	Rs.	4,07,169	11,58,436
	Average Rate	Rs.	54.46	58.07

* Not applicable as the bagasse is a by-product and is used a fuel.

Not applicable as this is a by-product.

B. Consumption per unit of production

Product (Sugar)			
Electricity	Kwh / M.T.	321.77	352.40
Bagasse / Risk Husk / Cane Trash	M.T. / M.T.		-
Diesel Oil	Ltr. / M.T.		-
Product (Industrial Alcohol)			
Electricity	Kwh /000' Ltrs	57.43	91.79
Coal	Qtls./000' Ltrs		-
Bagasse (Pith)	M.T./000' Ltrs		-
Rice Husk	Ltr./000' Ltrs	-	0.01
Diesel Oil	Ltr. / 000'Ltrs		-

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY, RESEARCH AND DEVELOPMENT

A. RESEARCH AND DEVELOPMENT

1. Rapid multiplication of new promising varieties of Sugarcane, Rejuvenation of existing prominent varieties & Production of disease free Sugar Cane Plant.
2. Production of Tricho-cards to control Sugar Cane borers.
3. Cogen & Distillery waste water concentration by using Reverse Osmosis (RO) Technology.
4. Lotus roller installation at last mill gave the moisture and pol control in the outgoing bagasse.

B. BENEFITS DERIVED

Expenditure on R & D

	2015-16 (in lac)	2013-14 (in lac)
a) Capital	0.00	0.00
b) Recurring	0.00	183.61

The information on Foreign Exchange Earnings and Outgo is furnished in the Notes to the Account. (Please refer to Note No.37 of Notes forming part of financial statements)

KESAR ENTERPRISES LIMITED

EXTRACT OF ANNUAL RETURN

Annexure "B"

As on financial year ended 31.03.2016

Pursuant to Section 92(3) of the Companies act, 2013 read with

[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

A. REGISTRATION AND OTHER DETAILS:

CIN:-	L24116MH1933PLC001996
Registration Date:	1.8.1933
Name of the Company:	Kesar Enterprises Limited
Category / Sub-Category of the Company	Public Company Limited by Shares
Address of the Registered office and contact details:	Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai 400020 Tel. No.022-2204 2396
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Sharex Dynamic (India) Ltd. Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai 400 072 Tel. 022-28515606 / 28515644

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
	Manufacture of Sugar and its byproducts; manufacture of alcohol and alcoholic beverages by distillation including ethanol and generation of renewable power;	Not Available	100%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held
	NA			

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/01/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

A. PROMOTER'S

(1). INDIAN

(a). individual	1165748	84561	1250309	12.504	1165748	84561	1250309	12.404	-0.1
(b). Central Govt.									
(c). State Govt(s).	0	0	0		0	0	0		0
(d). Bodies Corpp.	5725517	0	5725517	57.26	5806037	0	5806037	57.601	0.341
(e). FIINS / BANKS.	0	0	0		0	0	0		0
(f). Any Other		0			0				0
Sub-total (A) (1):-	6891265	84561	6975826	69.764	6971785	84561	7056346	70.005	0.241

(2). FOREIGN

(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0	0	0

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(c). Bodies Corporates	0	0	0	0	0	0	0	0	0
(d). Banks / FII	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6891265	84561	6975826	69.764	6971785	84561	7056346	70.005	0.241

(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	0	1200	1200	0.012	0	1200	1200	0.012	0
(b). Banks / FI	395	695	1090	0.011	395	695	1090	0.011	0
(c). Central Govt.									
(d). State Govt.	0	0	0		0	0	0		0
(e). Venture Capital Funds	0	0	0		0	0	0		0
(f). Insurance Companies	680006	0	680006	6.801	680006	0	680006	6.746	-0.055
(g). FIIs	0	0	0		0	0	0		0
(h). Foreign Venture Capital Funds	0	0	0		0	0	0		0
(i). Others (specify)	0	0	0		0	0	0		0
Sub-total (B)(1):-	680401	1895	682296	6.824	680401	1895	682296	6.769	-0.055

Category of Shareholders	No. of Shares held at the beginning of the year 01/01/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i). Indian	371101	1690	372791	3.728	412614	1690	414304	4.11	0.382
(ii). Overseas									
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1088597	257975	1346572	13.467	1068988	251653	1320641	13.102	-0.365
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lac	444239	52620	496859	4.969	443495	52620	496115	4.922	-0.047
(c). Other (specify)									
Non Resident Indians	119437	200	119637	1.196	91352	200	91552	0.908	-0.288
Overseas Corporate Bodies	0	0	0		0	0	0		0
Foreign Nationals		0				0			0
Clearing Members	5181	0	5181	0.052	18428	0	18428	0.183	0.131
Trusts		0				0			0
Foreign Bodiees - D R		0				0			0
Sub-total (B)(2):-	2028555	312485	2341040	23.412	2034877	306163	2341040	23.225	-0.187
Total Public Shareholding (B)=(B)(1)+(B)(2)	2708956	314380	3023336	30.236	2715278	308058	3023336	29.994	-0.242
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0
Grand Total (A+B+C)	9600221	398941	9999162	100.00	9687063	392619	10079682	100.00	0

KESAR ENTERPRISES LIMITED

(ii) Shareholding of Promoters

SR No.	Shareholder's Name	Shareholding at the beginning of the year 01/01/2015			Share holding at the end of the Year 31/03/2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	MR AMRISH RAJNIKANT KILACHAND	30	0		30	0		0
2	INDIAN COMMERCIAL COMPANY PVT LTD	232264	2.322		232264	2.304		-0.018
3	INDIA CARAT PVT LTD	10152	0.102		10152	0.101		-0.001
4	KESAR CORPORATION PVT LTD	2337922	23.381		2337922	23.194		-0.187
5	HARSH RAJNIKANT KILACHAND (HUF)	27425	0.274		27425	0.272		-0.002
6	DURACELL INVESTMENTS AND FINANCE PV	1629950	16.301		0	0		-16.301
7	SEEL INVESTMENT PVT LTD	1515229	15.154		3225699	32.002		16.848
8	HARSH RAJNIKANT KILACHAND	556352	5.564		556352	5.520		-0.044
9	MADHAVI HARSH KILACHAND	208372	2.084		208372	2.067		-0.017
10	ROHAN HARSH KILACHAND	189082	1.890		189082	1.876		-0.014
11	ROHITA HARSH KILACHAND	187824	1.878		187824	1.863		-0.015
12	MR RAJNIKANT A KILACHAND	72538	0.725		72538	0.719		-0.006
13	MRS RAMILA RAJNIKANT KILACHAND	10	0		10	0		0
14	MRS SHREEMATI AMBALAL KILACHAND	8676	0.087		8676	0.086		-0.001

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

SR No.	Shareholder's Name	Shareholding at the beginning of the year 01/01/2015			Share holding at the end of the Year 31/03/2016			% of total Shares of the company
		No. of Shares at the beginning (01-01-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
1	DURACELL INVESTMENTS AND FINANCE PV	1629950	16.300	11-03-2015	0		0	0
		0	0	10-07-2015	-143200	Transfer	1486750	0
	-Closing Balance	1486750	14.86	24-07-2015	-1486750	Transfer	0	-14.86
2	SEEL INVESTMENT PVT LTD	1515229	15.154	11-03-2015	0		0	0
		0	0	10-07-2015	143200	Transfer	1658429	0
		0	0	24-07-2015	1486750	Transfer	3145179	0
		0	0	13-11-2015	80520	Transfer	3225699	17.106
	-Closing Balance	3225699	32.260	31-12-2015				

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(iv) 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 (01-01-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	MILI CONSULTANTS & INVESTMENT PVT. LTD.	3125	0.031	01-01-2015				
				20-11-2015	50	Transfer	3175	0.031
				08-01-2016	2733	Transfer	5908	0.059
				15-01-2016	1686	Transfer	7594	0.075
				22-01-2016	4695	Transfer	12289	0.122
				29-01-2016	1390	Transfer	13679	0.136
				26-02-2016	770	Transfer	14449	0.143
				11-03-2016	3207	Transfer	17656	0.175
				18-03-2016	285	Transfer	17941	0.178
				25-03-2016	602	Transfer	18543	0.184
				31-03-2016	740	Transfer	19283	0.191
2	NATIONAL INSURANCE COMPANY LTD	326834	3.269	01-01-2015				
				31-03-2016			326834	3.243
3	THE ORIENTAL INSURANCE COMPANY LIMITED	353172	3.532	01-01-2015				
				31-03-2016			353172	3.504
4	MASTER CAPITAL SERVICES LTD	44325	0.443	01-01-2015				
				09-01-2015	-2500	Transfer	41825	0.418
				20-02-2015	-100	Transfer	41725	0.417
				27-02-2015	-11762	Transfer	29963	0.3
				06-03-2015	-5723	Transfer	24240	0.242
				20-03-2015	-4157	Transfer	20083	0.201
				27-03-2015	-2000	Transfer	18083	0.181
				31-03-2015	-2205	Transfer	15878	0.159
				12-06-2015	-657	Transfer	15221	0.152
				03-07-2015	-15021	Transfer	200	0.002
				10-07-2015	-199	Transfer	1	0
				17-07-2015	228	Transfer	229	0.002
				24-07-2015	225	Transfer	454	0.005
				31-07-2015	100	Transfer	554	0.006
				21-08-2015	15	Transfer	569	0.006
				28-08-2015	2	Transfer	571	0.006
				25-09-2015	-226	Transfer	345	0.003
				30-09-2015	-344	Transfer	1	0
				06-11-2015	200	Transfer	201	0.002
				20-11-2015	-200	Transfer	1	0
				11-03-2016	2144	Transfer	2145	0.021
				18-03-2016	-2000	Transfer	145	0.001
				31-03-2016	-144	Transfer	1	0
5	RICKY ISHWARDAS KIRPALANI	32040	0.32	01-01-2015				
				12-02-2016	-6651	Transfer	25389	0.252
				31-03-2016			25389	0.252

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6	MENTOR CAPITAL LIMITED	235834	2,359	01-01-2015					
				31-03-2016			235834		2.34
7	PARUL M SHAH	18057	0.181	01-01-2015					
				31-03-2016			18057		0.179
8	MANISH RASIKLAL SANGANI	35940	0.359	01-01-2015					
				03-07-2015	-35940	Transfer	0		0
9	KESWANI HARESH	45950	0.46	01-01-2015					
				18-03-2016	-18036	Transfer	27914		0.277
				31-03-2016			27914		0.277
10	RAJENDRA KUMAR MEGHAWAT	16000	0.16	01-01-2015					
				09-01-2015	1000	Transfer	17000		0.17
				16-01-2015	100	Transfer	17100		0.171
				21-08-2015	854	Transfer	17954		0.178
				04-12-2015	46	Transfer	18000		0.179
				12-02-2016	500	Transfer	18500		0.184
				31-03-2016			18500		0.184
11	RAJU AJIT BHANDARI	260217	2.602	01-01-2015					
				10-07-2015	3237	Transfer	263454		2.635
				17-07-2015	3859	Transfer	267313		2.673
				24-07-2015	313	Transfer	267626		2.676
				07-08-2015	6013	Transfer	273639		2.715
				21-08-2015	-300	Transfer	273339		2.712
				28-08-2015	-914	Transfer	272425		2.703
				30-09-2015	293	Transfer	272718		2.706
				09-10-2015	1457	Transfer	274175		2.72
				16-10-2015	5910	Transfer	280085		2.779
				30-10-2015	3400	Transfer	283485		2.812
				20-11-2015	-200	Transfer	283285		2.81
				18-12-2015	-260	Transfer	283025		2.808
				25-12-2015	-400	Transfer	282625		2.804
				08-01-2016	4895	Transfer	287520		2.852
				15-01-2016	-299	Transfer	287221		2.85
				19-02-2016	1693	Transfer	288914		2.866
				26-02-2016	162	Transfer	289076		2.868
				11-03-2016	-150	Transfer	288926		2.866
				18-03-2016	-150	Transfer	288776		2.865
				25-03-2016	-250	Transfer	288526		2.862
				31-03-2016			288526		2.862
12	MANISH MISHRA	10200	0.102	01-01-2015					
				16-01-2015	6400	Transfer	16600		0.166
				23-01-2015	1000	Transfer	17600		0.176
				06-03-2015	2400	Transfer	20000		0.2
				31-03-2016			20000		0.198
13	MR. MUKESH BABU	40000	0.4	01-01-2015					
				31-03-2016			40000		0.397

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(v) Shareholding of Directors and Key Managerial Personnel:					
SR No.	Particulars	Shareholding at the beginning of the year 01/01/2015		Cumulative Shareholding during the year 31/03/2016 (end)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	H R Kilachand	556352	5.564	556352	5.520
2	A S Ruia	1000	0.010	1000	0.010
3	P Dubey	250	0.003	250	0.002
4	D J Shah	500	0.005	500	0.005

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	25536.43	8295.98	-	33832.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	375.25	22.10	-	397.35
Total (i+ii+iii)	27320.26	5001.73	-	32322.79
Change in Indebtedness during the financial year				
• Addition	1409.28	-	-	1409.28
• Reduction	-	(3316.25)	-	(3316.25)
Net Change	1409.28	(3316.25)	-	(1906.97)
Indebtedness at the end of the financial year				
i) Principal Amount	26420.72	5001.83	-	31422.55
ii) Interest due but not paid	465.95	-	-	465.95
iii) Interest accrued but not	434.29	-	-	434.29
Total (i+ii+iii)	27320.96	5001.83	-	32322.79

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr.	Particulars of Remuneration	Name of WTD Shri D J Shah
1	Gross salary	Rs.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.88
	(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- Exempted Reimbursement /Perquisites	4.91
	Total (A)	36.79
	Ceiling as per the Act	Within the ceiling limit

B. Remuneration to other directors:

(Rs. in lac)

Sr.	Particulars of Remuneration	Name of Directors Manager				Total Amount
1.	Independent Directors	Shri A S Ruia	Shri A Prasad	Shri P Dubey	Shri P Nayak	
	• Fee for attending board / committee meetings	3.00	2.60	2.20	0.20	8.00
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	3.00	2.60	2.20	0.20	8.00

KESAR ENTERPRISES LIMITED

2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings					
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	3.00	2.60	2.20	0.20	8.00
	Total Managerial Remuneration A + B	-	-	-	-	44.79
	Overall Ceiling as per the Act	-	-	-	-	-

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

Sr. no.	Particulars of Remuneration	Key Managerial Personnel (Rs. in lac)		
		CFO Shri R Balu	Company Secretary Shri D J Shah	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.39	31.88	59.27
	(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...	-	-	-
	Others, please specify Exempted Reimbursement /Perquisites	2.31	4.91	7.22
	Total	29.70	36.79	66.49

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority [RD / NCLT/ COURT]
Penalty		N.A.			
Punishment		N.A.			
Compounding		N.A.			

C. OTHER OFFICERS IN DEFAULT

Penalty		N.A.			
Punishment		N.A.			
Compounding		N.A.			

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FORM NO. MR-3

Annexure "C"

SECRETARIAL AUDIT REPORT

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

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KESAR ENTERPRISES LIMITED (CIN : L24116MH1933PLC001996)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

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

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

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder and amendments;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable as the Company did not have any scheme for its employees during the financial year under review.**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued any debt securities during the financial year under review.**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client- **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as the Company has not delisted its Equity Shares from any stock exchange during the financial year under review.**
 - h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **Not applicable as the Company has not bought back any of its securities during the financial year under review.**
 - i. **The Company had filed a reference with BIFR, under Section 15 of SICA, on 15.5.2015. Thereafter, BIFR intimated the Company by a letter dated 21.9.2015 that the said reference was registered and as per the decision of the Board, the Company has been restrained from disposing of or alienating in any manner any fixed assets of the Company without the consent of the Board. The Company has filed an Appeal before Appellate Authority for Industrial and Financial Reconstruction [AAIFR] against the said decision of BIFR, and is awaiting the decision at the next hearing thereof.**
- (vi) We have relied on the certificates obtained by the Company from the Management Committee/Function heads and based on the report received, there has been due compliance of all laws, orders, regulations and other legal requirements of the Central, State and other Governmental 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 relating to Sugar, Power & Spirits Divisions:-



1. The Levy Sugar Price Equalisation Fund Act, 1976 and Rules there under;
2. The Essential Commodities Act, 1955
3. The Sugar Cess Act 1982
4. The Electricity Act, 2003;
5. The Electricity Supply Act, 1948
6. The Indian Power Alcohol Act, 1948

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.

- b) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

1. except for non-compliance under 49(II)(A)(1)/(2) of the erstwhile Equity Listing Agreement/ Regulation 17(1)(a)/(b) of SEBI LODR and Section 149 of Companies act, 2013 relating to the condition of having atleast one Women Director.

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 except that related to the requirement of a Women Director. 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 notices were given to all the Directors for convening the Board Meetings. The agenda and detailed notes on agenda were sent seven days in advance and there exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and at the meeting for meaningful participation.

All decisions at Board Meetings and Committee Meetings were 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 the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guidelines.

Place : Mumbai

Date : 11.7.2016

For Ragini Chokshi & Co

Mrs. Ragini Chokshi

(Partner)

C.P. No. 1436

FCS No. 2390

Annexure-A

To,The Members,

KESAR ENTERPRISES LIMITED
Oriental House, 7, Jamshedji Tata Road,
Churchgate, Mumbai- 400020.

Our report of even date is to be read along with this letter.

1. The maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.

We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai

Date : 11.7.2016

For Ragini Chokshi & Co

Mrs. Ragini Chokshi

(Partner)

C.P. No. 1436

FCS No. 2390

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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.	Requirement	Disclosure	Ratio
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Executive Director * Shri H R Kilachand Shri D J Shah Non Executive Director Shri P N Dubey Shri A S Ruia Shri A Prasad	NIL 22.01:1 1.3:1 1.8:1 1.5:1
2	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Executive Director * Shri H R Kilachand Shri D J Shah Non Executive Director Shri P N Dubey Shri A S Ruia Shri A Prasad Key Managerial Personnel CFO: Shri Rohit Balu CS: Shri D J Shah	NIL NIL 3.09 (35.42) 9.33 17.62 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 6.56%	
4	The number of permanent employees on the rolls of the Company	There were 563 permanent employees on the rolls of the Company as on March 31, 2016	
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 (6.49%), whereas average percentile increase in salaries of Managerial Personnel during the year under review was (14.95%).	
6	The key parameters for any variable component of remuneration availed by the Directors	The variable component of remuneration availed by Directors are considered by the Board of Directors based on the recommendation of the Nomination & Remuneration Committee as per the Remuneration Policy.	
7	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.	

* Shri H R Kilachand had stopped drawing remuneration from the Company voluntarily, since March, 2014 in view of the heavy losses suffered by the Company for the last few years.

Explanation.-

- (i) 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;
- (ii) 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

H R KILACHAND
Chairman & Managing Director
DIN: 00294835

11.07.2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SCENARIO IN INDIA

Sugar

India is the second largest producer of sugar in the world. The sugar industry is the largest agro-processing sector in India. It is dominated by the co-operative sector in terms of number of units. However, with private players going in for major expansions, the gap between the private and co-operative sector is expected to narrow down in the future in terms of installed capacity as well as production. The industry is highly regulated by the Central and State Governments by way of cane growing area, sugarcane pricing, import-export policy, government policy etc. Sugar cane is cultivated in around 5 million hectares in India. The major sugarcane producers are Uttar Pradesh, Maharashtra, Tamilnadu and Karnataka. Uttar Pradesh alone contributes about 47% of the total acreage and has 38% share in the total domestic production. Sugar cane is the only source of sugar production in India unlike many other countries, which produce sugar from sugar beat.

Power

Bagasse based cogeneration in sugar factories in India has an established potential capacity of 7000 MW. The installed capacity is 2250 MW in 190 plants in India today. Most plants are set up with cogeneration plant power cycle at pressures of 45, 67 and 87 kg/cm². About 750 MW capacity is in various stages of construction at 50 plants in India. Therefore, from among 550 sugar factories, cogeneration has been set up in about 240 factories and the remaining operational factories are selling bagasse in the market as is the usual practice.

Spirits

The alcohol industry is segregated into five major segments i.e. beer, wine, IMFL, bottled in origin alcoholic products and country liquor. IMFL consists of whisky, rum, brandy, gin and vodka. The increase in per capita income of the middle class led by growing young population force, urbanization and change in lifestyles are factors which will keep the demand for IMFL & country liquor robust. Though the per capita consumption for alcohol beverages in India is comparatively lower as against developed countries, the sector has a promising growth.

COMPANY STRUCTURE & DEVELOPMENT

Sugar

The sugar factory is located at Baheri, Dist. Bareilly, Uttar Pradesh, one of the largest producers of sugarcane in the country. The plant started with an initial crushing capacity of 800 tons of cane crushed per day (tcd), which had been gradually increased to 7,200 tcd over time. The Company has one of the most modern and efficient sugar factories in the country. Through constant investment in Cane Research & Development, the Company has successfully developed high yielding and early maturing varieties of sugarcane.

Power

The Company has commissioned its 44mw Bagasse based Cogeneration Power Plant at Baheri. It is the most efficient and largest capacity single plant in the sugar Cogeneration Sector in U.P. & perhaps the country, a world class plant having a state-of-the-art Process Control system with performance monitoring software. The Company exported majority of power produced to the grid and will benefit from the well established government policies related to renewable energy and also perhaps get benefit of carbon trading rights or renewable energy certificate.

Spirits

The Company had set up a Distillation Plant in order to effectively harness molasses, a by-product generated by its sugar factory. Its capacity has been increased to 50,000 klp over a period of time. It has a modern and sophisticated process of continuous fermentation of molasses, which gives higher yields and produces good quality spirit. The Company manufactures Rectified Spirit, Extra Neutral Alcohol, Country Liquor.

The Spirits Division was put out of operations as the Company needs to install multiple effect evaporation system to reduce the effluent volume as well as modification in Reverse Osmosis Plant & Bio-composting, which would enable the Distillery to become zero discharge compliant. As the Company does not have such capability, the Company has voluntarily taken a shut down for Distillery operations since October 2015.

The Company has an Effluent Treatment Plant to treat the distillery waste water, which is based on the state-of-the-art technology developed by Bacardi Corporation, USA. In the process, it generates methane rich Bio-gas, which is burnt in the boilers generating steam and the effluent from the Bio-reactor is further treated in a reverse osmosis plant and is further used to manufacture bio-compost. This bio-compost is then mixed with other nutrients to produce bio fertilizers, which is then sold.

OPPORTUNITIES & THREATS

Sugar

The Company expects a similar crushing period this season as that of the previous season. Untimely change in government policy and upward pricing in terms of Fair Remunerative Price (FRP) and State Advised Price (SAP) can prove a threat to the Company.

Power

The Company has set up a state of the art cogeneration plant operating at very high pressure of 115 kg/cm². Therefore, it is very efficient

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when compared to majority of the cogeneration plants having power cycle at pressures of 45, 67 and 87 kg/cm². This will therefore translate into producing more power from same bagasse. Besides, as our boiling house is also very efficient, there will be more savings of bagasse per ton of sugar produced and this saved bagasse will also enable us to produce more power.

Spirits

During the 15 months period ended 31.3.2016, the production of Rectified Spirit (RS) was 23.16 lac bulk litres. The production of Extra Neutral Alcohol (ENA) was 17.07 lac bulk litres. The quantity of Country Liquor supplied was 5.50 lac cases.

The Spirits Division was put out of operations as the Company needs to install multiple effect evaporation system to reduce the effluent volume as well as modification in Reverse Osmosis Plant & Bio-composting, which would enable the Distillery to become zero discharge compliant. As the Company does not have such capability, the Company has voluntarily taken a shut down for Distillery operations since October 2015. Hence, the Molasses was sold directly in the market.

OUTLOOK

Sugar

The sugar industry will be a major player in producing cost effective energy and fuel from its by-products bagasse and molasses. Bagasse can be processed for co-generation of power. Also, ethanol produced from molasses can be used as motor fuel by blending it with petrol.

During the Financial Year 2016-17, there may be a steady increase in sugar prices. This will result into the Company generating operational profits gradually. The industry outlook is also positive in the short term and long term with sugar prices expected to increase further due to lower production of sugar.

Power

The season ahead should see the proper utilization of the cogeneration plant and therefore the exportable power will give rise to more revenues. Also due to the rate hike, the income / profits will rise over previous season.

RISKS AND CONCERNS

Sugar Division being agro based is vulnerable to various risks enumerated below:

Raw Material Risk:

Sugarcane is the principal raw material for manufacture of Sugar, Spirits and Power and its shortages could be on account of pest attacks, crop diseases, diversion of land by farmers. Shortage of the basic raw materials would severely impact the working of the divisions of the Company. To mitigate these risks, the Company has adopted sound agronomic practice and improvement in basic infrastructure facilities.

Price Risk:

Sugar price is susceptible to fluctuations on account of international demand and supply, government pricing for cane as well as sugar, variance in production capacities of peers. Any change may affect the margins of the Company.

Regulatory Risk:

The policies of the Central and State Governments in terms of Fair Remunerative Price (FRP) and State Advised Price (SAP) for sugarcane have an impact on the operations of the Company. Increase in duties on liquor products has an impact on the margins of the Company.

INTERNAL CONTROL SYSTEM

The Company has an appropriate internal control system for its various functions with the ultimate objective of improving efficiency in its operations, better financial management and compliance with regulations and applicable laws. The Company has appointed an Internal Auditor [External]. All operating parameters are well defined and monitored periodically. The detail internal audit reports are discussed at length at various levels and thereafter the said reports are also placed before the Audit Committee for review and discussion.

SEGMENT-WISE 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

The Company considers human capital as a critical asset and success factor for smooth organizational work flow. Efforts are made to improve skills, knowledge and performance of employees by timely training, job satisfaction and enrichment. The Company has added to its fold, experienced manpower in line with future areas of growth.

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on Code of Governance:

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

2. Board of Directors:

The Composition of the Board of Directors is in conformity with the stipulation laid down in the Code of Corporate Governance prescribed by the Securities and Exchange Board of India (SEBI) (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 Director	Category
Shri H R Kilachand (DIN:00294835)	: Chairman & Managing Director
Shri A S Ruia (DIN:00296622)	: Independent Director (up to 29.4.2016)
Shri Ajeet Prasad (DIN:00028983)	: Independent Director (expired on 23.3.2016)
Shri P N Dubey (DIN:02132564)	: Independent Director
Shri P Nayak (DIN:06670875)	: Nominee Director – GIC (up to 15.5.2015)
Shri D J Shah (DIN:03095028)	: Director & Company Secretary
Shri M A Kuvadia (DIN:07195042)	: Independent Director (w.e.f. 11.7.2016)

Attendance of each Director **at the Board Meetings** held during 1.1.2015 to 31.3.2016, the **last Annual General Meeting** held on 19.3.2015 and the **Number of other Directorships** & Chairmanship/ Membership of Committees of each Director in various Companies & **Shareholding of Non-Executive Directors** are as under:

Name of the Director	No. of Shares held by Non Executive Directors	Attendance Particulars						No. of other Directorships and Committee Member / Chairmanship in other Companies		
		Out of 6 Board Meetings	Out of 5 Audit Committee Meetings	One Nomination & Remuneration Committee Meeting	One Independent Directors Meeting	Sitting Fees paid (Rs.)	Last AGM	Other Directorships#	Committee Member \$	Chairmanships
Shri H R Kilachand	556352	6	5	-	-	-	Yes	-	2	-
Shri A S Ruia	1000	6	5	1	1	3,00,000	Yes	3	3	2
Shri A Prasad	250	6	5	1	-	2,60,000	Yes	-	1	1
Shri P N Dubey	250	4	4	1	1	2,20,000	Yes	-	-	3
Shri P Nayak	-	1	-	-	-	20,000	Yes	-	-	-
Shri D J Shah	500	6	5	-	-	-	Yes	-	-	-
Shri M A Kuvadia	-	-	-	-	-	-	-	-	3	-

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

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

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

Name of the Director	Shri D J Shah
Date of Birth	12.7.1955
Date of Appointment on the Board	27.1.2015
Qualification	B.Com.; Fellow Company Secretary (FCS); Diploma in Financial Management (DFM).
Expertise in specific functional areas	He has been with the Company since 23.12.1993. He has overall 41 years of experience out of which he has been with the Company for more than 22 years and has vast experience in Secretarial, Legal, Administration and Personnel related work.
Relationships between directors inter-se	--
Number of Shares held in the Company	500 shares
List of Directorship held in other Companies.	--

Board Meetings held and the dates thereof:

During the year, 6 Board Meetings were held on 27.1.2015, 17.2.2015, 14.5.2015, 4.8.2015, 3.11.2015 and 4.2.2016. The gap between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days. None of the Directors hold the office of Director in more than the permissible number of Companies under the Act or Regulation 25 & 26 of the SEBI (LODR) Regulations, 2015.

Relationship between the Directors inter-se: Nil

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

Board Committees

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

3. Audit Committee:

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

(a) Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to statutory Auditors for any other services rendered by them;
4. Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by the Management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft Audit Report, if any;



5. Reviewing, with the Management, the Quarterly Financial Statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal Auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer (CFO) (i.e. Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(b) Composition

The Audit Committee comprises of the following Directors. The Committee is chaired by an Independent Director. The Audit Committee was reconstituted on 11.7.2016.

Shri A S Ruia	– Chairman (upto 29.4.2016)
Shri A Prasad	– Member (expired on 23.3.2016)
Shri P N Dubey	– Member (Chairmae w.e.f. 11.7.2016)
Shri H R Kilachand	– Member (w.e.f. 11.7.2016)
Shri M A Kuvadia	– Member (w.e.f. 11.7.2016)

(c) Meetings & Attendance

During the year, 5 meetings of the Audit Committee were held on 17.2.2015, 14.5.2015, 4.8.2015, 3.11.2015 and 4.2.2016 with the time gap between 2 meetings of less than 120 days. The attendance of the Members is mentioned in table of para 2 above. As required, CFO, Internal Auditor & Statutory Auditors or their representatives used to remain present as Invitee in such Meetings. The Company Secretary acts as the Secretary of the Audit Committee.

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

Representatives of the Statutory Auditors M/s Haribhakti & Co., Chartered Accountants and Independent Internal Auditor M/s Ashok Jayesh & Associates, Chartered Accountants are invited for the meeting of the Audit Committee.

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4. Nomination & Remuneration Committee:

The Committee comprises of the following Directors. The Committee is chaired by an Independent Director. A meeting of the Committee was held on 28.05.2015. The Nomination and Remuneration Committee was reconstituted on 11.7.2016.

Shri A Prasad	– Chairman (expired on 23.3.2016)
Shri A S Ruia	– Member (upto 29.4.2016)
Shri P N Dubey	– Member (Chairman w.e.f. 11.7.2016)
Shri M A Kuvadia	– Member (w.e.f. 11.7.2016)

The Key Objectives of the Committee is:

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

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

Remuneration Policy for Directors

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

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

b) Remuneration to Non- Executive / Independent Director:

The Non-Executive / Independent Director may receive compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

Remuneration of Executive/ Non-Executive Directors:

Shri H R Kilachand was drawing his remuneration only from KTL and had stopped drawing from the Company (KEL) voluntarily from March 2014, in view of the heavy losses suffered by the Company for the last few years.

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

Name	Sitting Fees (Rs.)
Shri A S Ruia	3,00,000
Shri A Prasad	2,60,000
Shri P N Dubey	2,20,000
Shri P Nayak	20,000

5. Share Transfer Committee

The authority to consider the Share Transfer related matters / issue of duplicate Share Certificates etc. was delegated to Shri H R Kilachand and Shri D J Shah who met on 28.1.2015, 28.7.2015, 24.8.2015, 23.10.2015, 26.2.2016 to consider the related matters. There was no pending share transfers as on March 31, 2016.

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 an Independent Director. The Committee was reconstituted on 11.7.2016 consisting of :

Shri P N Dubey	- Chairman
Shri A S Ruia	- Member (up to 29.4.2016)
Shri H R Kilachand	- Member
Shri M A Kuvadia	- Member (w.e.f. 11.7.2016)

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

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

The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company.

During the year ended 31st March, 2016, the Company had received no complaints / grievances from its Shareholders.

8. Risk Management Committee [RMC]:

As required under Regulation 21 of SEBI (LODR) Regulations 2016 the Board has a duly constituted Risk Management Committee consisting of:

Shri Prakash Dubey	(Independent Director) - Chairman
Shri S M Sharma	Sr. Vice President, Baheri,
Shri Anupam Desai	Sr. Vice President - Project & Technical (up to 9.12.2015)

9. General Body Meetings:

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

AGM	Financial Year ended	Date	Location	Time
AGM	31.12.2014 (18 Months)	19.3.2015	M. C. Ghia Hall	3:30 p.m
AGM	30.6.2013	8.10.2013	M. C. Ghia Hall	3:30 p.m
AGM	30.6.2012	21.12.2012	Walchand Hirachand Hall	3:30 p.m

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

Date of AGM	Particulars of Special Resolution passed thereat
19.3.2015	Resolution under Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 1956 relating to appointment and fixing remuneration of Shri D J Shah for a period of 3 years w.e.f 27.1.2015. Resolution u/s.188 approving Related party transactions up to an amount not exceeding Rs.46 Cr from 1.4.2014 to 31.03.2016.
08.10.2013	Pursuant to Section 198, 309, 316 and Schedule XIII Re-appointment of Shri H R Kilachand as Managing Director of the Company. Pursuant to Section 81(1A) of the Companies Act, 1956 for further Issue of securities. Pursuant to Section 23 of SIC to take note of erosion of more than 50% of the Net Worth of the Company.
21.12.2012	Pursuant to Section 314 of the Companies Act, 1956 for increasing remuneration of Shri Rohan Kilachand, Vice President.

- iii. No Resolutions was passed during the Financial Year 2014-2015 through Postal Ballot.

Annual Report 2015-2016 (15 Months)

13. Disclosures:

- i. All transactions entered into during the financial year 2015-2016 with Related Parties as defined under the Companies Act and were in the ordinary course of business and on an arms length basis. There was no Material Related Party transaction, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements. The Company has given in the notes to accounts, a list of related parties as per Accounting Standard 18 and the transactions entered into with them.
- ii. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges or any Statutory Authority does not arise.
- iii. The Company has laid down procedures to inform Board members about risk assessment and minimization. These procedures are periodically reviewed to ensure control of risk through a properly defined framework.
- iv. Whistle Blower Policy / Vigil Mechanism
In staying true to our values of Strength, Performance and Passion, the Company is committed to the high standards of Corporate Governance and Stakeholder responsibility.
The Company has a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. We confirm that during the financial year 2015-2016, no Employee of the Company was denied access to the Audit Committee.
The details of Whistle Blower Policy are available on the website of the Company, [www.kesarindia.com/Investor's Corner/Policies](http://www.kesarindia.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** **Tel: 022-22042396**
- v. **Certification:** The requisite Certification from the Chairman & Managing 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 (LODR) Regulations, 2015 was placed before the Board of Directors of the Company and annexed to this report.
- vi. The Company has complied with all applicable mandatory requirements of the SEBI (LODR) Regulation 2015. A certificate from M/s. Ragini Choshi & Co, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated there under is annexed to this Report.

14. Means of communication:

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

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

The results and all other official news releases are displayed on the websites of the Stock Exchanges: www.bseindia.com and www.nseindia.com and also on the website of the Company, viz. www.kesarindia.com
Management Discussion & Analysis report has been included as a part of the Annual Report.

15. General Shareholders information:

a.	Registered Office	:	Kesar Enterprises Ltd. Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai-400020.
b.	Plant Locations	:	Sugar Factory, Power Plant, Spirits & Bottling at Baheri, Dist. Bareilly, U. P.
c.	Annual General Meeting	:	
	Date	:	Thursday, 11th August, 2015
	Time	:	11:00 a.m.
	Venue	:	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001.
d.	Financial Year	:	2015-2016
e.	Next Financial Year ending	:	31st March, 2017
f.	Next Annual General Meeting	:	By 30th September, 2017

g	Financial Reporting for the year 2016-17 For 1st quarter ended 30th June, 2016 For 2nd quarter ending 30th September, 2016 For 3rd quarter ending 31st December, 2016 For 4th quarter ending 31st March, 2017	By 14th August, 2016 By 14th November, 2016 By 14th February, 2017 By 30th May, 2017
h	Date of Book Closure	: From Thursday, 4th August, 2016 To Thursday, 11th August, 2016 (Both days inclusive)
	Dividend Payment Date	: N.A.
i	Listing on Stock Exchange	: Bombay Stock Exchange Ltd., Mumbai (BSE) National Stock Exchange of India Ltd., Mumbai (NSE) The Company has paid annual listing fees due to BSE and NSE for the year 2016-2017.
j	Stock Exchange Code Number	: BSE Scrip Code : 507180 NSE Symbol : KESARENT
k	Demat ISIN numbers in NSDL & CDSL	: INE133BO1019

Address for correspondence by the Shareholders of the Company:

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

Share Transfer System:

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

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

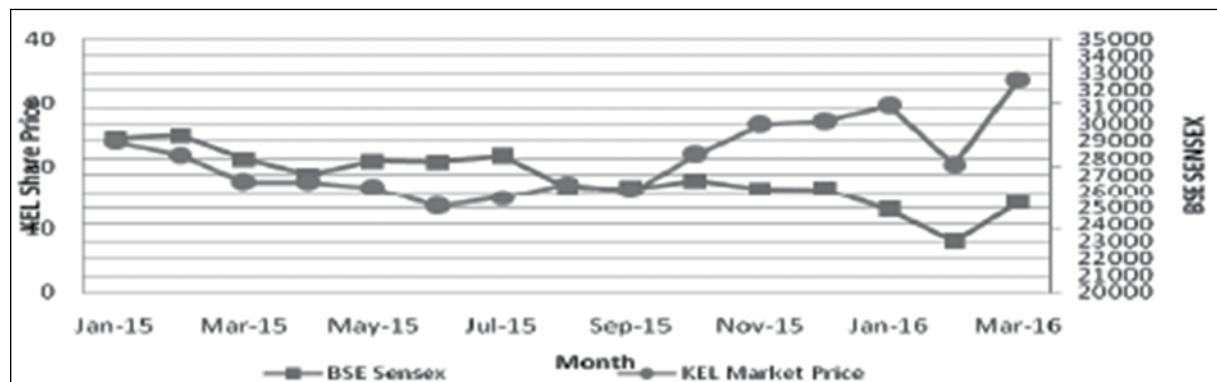
Stock Market Data:

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

Month	BSE		NSE	
	High	Low		High
January, 2015	27.90	27.10	27.05	21.05
February, 2015	25.00	18.30	24.75	17.15
March, 2015	23.00	15.15	23.35	15.40
April 2015	20.00	14.30	21.15	15.10
May 2015	18.25	14.50	18.90	14.25
June 2015	17.75	13.05	18.90	12.95
July 2015	16.00	13.00	16.15	12.60
August 2015	19.35	12.60	17.55	13.70
September 2015	17.10	12.80	16.95	13.00
October 2015	25.70	14.05	25.25	14.40
November 2015	29.10	19.75	29.10	20.40
December 2015	31.40	24.25	30.95	24.10
January 2016	34.50	25.10	34.40	25.60
February 2016	31.00	20.00	31.95	19.30
March 2016	35.45	20.30	33.65	20.00

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



Distribution of shareholding as on 31st March, 2016:

Shareholding in Nominal Value of	Shareholders			Share Amount	
	Rs.	No.	% of Holders	In Rs.	% to Total
Upto - 5,000	4109	87.71	5202180	5.16	
5,001 - 10,000	273	5.83	2172580	2.16	
10,001 - 20,000	149	3.18	2200550	2.18	
20,001 - 30,000	36	0.77	916390	0.91	
30,001 - 40,000	30	0.64	1041650	1.03	
40,001 - 50,000	23	0.49	1059960	1.05	
50,001 - 1,00,000	31	0.66	2304950	2.29	
1,00,001 - and above	34	0.73	85898560	85.22	
Total	4685	100.00	100796820	100.00	

Categories of Shareholders as on 31st March, 2016:

As on 31.03.2016 about 96% of the total shareholding in the Company representing 96,87,063 shares have been converted into dematerialized form.

Sr. No.	Category	No. of Shares Held	No. of Shares in Demat Form	% of Shareholding
A. PROMOTERS HOLDING				
1	Promoters: - Indian Promoters	5806037	5806037	57.601
	- Foreign Promoters	-	-	-
2	Persons acting in concert	1250309	1165748	12.404
	Sub Total:	7056346	6971785	70.005
B. NON-PROMOTERS HOLDING				
1.	INSTITUTIONAL			
	a. Mutual Funds & UTI	1200	0	0.012
	b. Banks, Financial Institutions, Insurance Companies	681096	680401	6.769
	c. FIIs	0	0	0
C. OTHERS:				
	a. Private Corporate Bodies	414304	412614	4.110
	b. Indian Public	1816756	1512483	18.024
	c. NRI's/ OCB's	91552	91352	0.908
	d. Clearing Members	18428	18428	0.183
	Sub Total:	2341040	2034877	23.225
	GRAND TOTAL:	10079682	9687063	100.00

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

Guidance to Shareholders:

1. The shareholders are requested to communicate their bank details, the change of address, if any, directly to M/s Sharex Dynamic (India) Pvt. Ltd., the Registrar & Share Transfer Agent of the Company located at the addresses mentioned in para 15 above.
2. In case of lost / misplaced share certificates, shareholders should immediately lodge a FIR / Complaint with the police and submit with the Company, original / certified copy of FIR / acknowledged copy of the complaint and inform the Company to stop transfer of the said shares.
3. For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. SEBI vide its circular dated 27.4.2007 has made it mandatory for transactions involving transfer of shares in physical form the transferee(s) is required to furnish a copy of PAN card to the Company / RTAs for registration of such transfer of shares. SEBI vide its circular dated 7.1.2010 has made it mandatory to furnish a copy of PAN in the following cases:-
 - a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
 - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
 - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more Shareholders.
4. The Shareholder, whose signature has undergone any change over a period of time, is requested to lodge their new specimen signature duly attested by a bank manager.
5. Any Shareholder of the Company who has multiple folios in identical names are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.
6. **Nomination:** Section 72 of the Companies Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the will etc. it would therefore be in the best interest of shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed of the nomination facility, are requested to avail the same by submitting the nomination form. This form will be made available on request. Shareholders holding shares in demat form are advised to contact their DP's for making nominations.
7. As required by SEBI, shareholders may furnish details of their bank account number and name and address of the bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.
8. Shareholders, holding shares in electronic format are requested to deal only with their depository participants in respect of any change of address, nomination facility and furnishing bank account number etc.
9. Shareholders, who have not encashed their dividend warrants in respect of the dividend declared for the financial year 2008-2009 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
22.12.2009	2008-2009	@ 30%	20.02.2017
23.12.2010	2009-2010	@ 10%	21.02.2018
17.11.2011	2010-2011	@ 10%	14.01.2019

10. Shareholders may note that unclaimed dividend for a period of seven years from the date it becomes due for payment, shall be transferred to "**Investor Education and Protection Fund**" (IEPF) in terms of Section 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.

Annual Report 2015-2016 (15 Months)

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Kesar Enterprises Limited.

We have examined the compliance of conditions of Corporate Governance by Kesar Enterprises Limited, for the 15 months period ended on March 31, 2016, as stipulated in Regulation 17 to 27, Clauses (b) to (i) of Regulation 46 (2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with Stock Exchanges in India.

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

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

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

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

For Ragini Chokshi & Co.

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

Place : Mumbai
Date : 11.7.2016

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 (15 months).

, Mumbai
11th July, 2016

H R Kilachand
Chairman & Managing Director
DIN: 00294835

CERTIFICATION

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

**The Board of Directors
Kesar Enterprises 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.

**Rohit Balu
Chief Financial Officer**

**H R Kilachand
Chairman & Managing Director
Din: 00294835**

Mumbai,
11th July, 2016

Annual Report 2015-2016 (15 Months)

INDEPENDENT AUDITOR'S REPORT

To the Members of Kesar Enterprises Limited

Report on the Financial Statements

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

Management's Responsibility for the 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 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its loss and its cash flows for the fifteen months period ended on that date.

Emphasis of Matter

We draw attention to Note No. 40 to the financial statements. For the reason stated in the said note, the financial statements have been prepared on the assumption of going concern, despite accumulated losses resulting in erosion of its net worth.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid 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. The matter described under the Emphasis of Matter Paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - f. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - 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 financial statements – Refer Note 30 on Contingent Liabilities;
 - (ii) The Company did not have any long-term contracts, including derivative contracts. Hence, the question of any material foreseeable loss does not arise;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Atul Gala
Partner
Membership No. 048650

Place: Mumbai
Date : May 25, 2016

Annual Report 2015-2016 (15 Months)

ANNEXURE TO 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 Enterprises Limited on the financial statements for the fifteen months period ended 31st March, 2016]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) During the period, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory. As informed no material discrepancies were noticed on physical verification carried out during the period.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) 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) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained.
- (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, wealth 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, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the fifteen months period end, for a period of more than six months from the date they became payable.
(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹ in Lacs	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act , 1956	Central Sales Tax	43.75	1989-90, 2002-03 & 2004-05	High Court ,Allahabad
U.P. Trade Tax Act, 1948	U.P. Trade Tax	56.72	1989-90, 1993-94 to 1996-97 & 1999-2000	High Court ,Allahabad
Specific Relief Act, 1963	Compensation for loss due to non - supply of Rectified Spirit	18.27	2009-10	Civil Court, Panipat
Central Excise Act, 1944	Excise Duty – Spirits	1.08	2005-06	Supreme Court
Central Excise Act, 1944	Cenvat Credit on Steel Material	10.46	2012-13	Joint Commissioner CEX Meerut

Name of the statute	Nature of dues	Amount ₹ in Lacs	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Arrears of Overtime of Excise Personnel	15.72	2006-07 , 2007-08 & 2008-09	High Court, Allahabad
Central Excise Act, 1944	Wrong Reversal Of CENVAT Credit	24.14	2004-2005	CESTAT, New Delhi
Central Excise Act, 1944	Excise Duty -CENVAT on Molasses and Baggage	2,420.92	2003-04 to 2009-10	CESTAT , New Delhi
Central Excise Act, 1944	Excise Duty & Wrong Reversal Of CENVAT Credit	49.41	2006-07 to 2008-09 & 2010-2011 to 2012-13	A.E.C. (U.P.)
Central Excise Act, 1944	License Fee Payable	0.48	2007-08	A.E.C. (U.P.)
U.P. Tax on Entry of Goods into Local Area Act ,2007	Entry Tax - Sugar Sales	1,004.49	2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 & 2007-08	D.C. (A) – Bareily
Central Excise Act, 1944	Cenvat Credit Reversal	1.44	2012-13, 2013-14	AC AEX Barailly
Central Excise Act, 1944	Cenvat Credit on Steel Materials	5.13	2012-2013	AC AEX Hapur
Central Excise Act, 1944	Cenvat Credit on Molasses	4,028.52	2012-13, 2013-14	Commissioner CEX Meerut
Central Excise Act, 1944	Shortage of Sugar/ Molasses/Scrap	2.30	2011-12 & 2012-13	A.E.C. (U.P.)
Central Excise Act, 1944	Cenvat Credit & Demand Duty on Sale of Electricity	450.81	2012-13	Commissioner CEX Meerut
U.P. Tax on Entry of Goods into Local Area Act ,2007	Entry Tax	117.72	2008-09 to 2010-11	A.C. (A) Bareily

(c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(viii) The accumulated losses of the Company at the end of the fifteen months period are more than fifty percent of its net worth. Further, the Company has incurred cash losses during the period covered by our audit and in the immediately preceding period.

(ix) According to the information and explanations given to us, the Company has defaulted in repayment of its dues to bank. The Company has not taken any loan or borrowings from financial institution or through debentures. The particulars of delays in repayment of dues (including interest) are as follows:

Particulars	Amount (Including Interest) (Rs.) in Lacs	Period of Delay (in Days)
Bank Term Loan	2,277.46	0-60

(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

(xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period, nor have we been informed of any such instance by the management.

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

Atul Gala
Partner
Membership No. 048650

Place: Mumbai
Date : May 25, 2016

Annual Report 2015-2016 (15 Months)

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31st March, 2016	(₹ In Lac) As at 31st December, 2014
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	1,007.97	1,016.83
(b) Reserves and Surplus	3	4,084.82	9,392.66
2 Non Current Liabilities			
(a) Long Term Borrowings	4	11,905.65	13,601.54
(b) Other Long Term Liabilities	5	63.06	67.26
(c) Long Term Provisions	6	537.30	442.30
Current Liabilities			
(a) Short Term Borrowings	7	15,419.71	19,234.09
(b) Trade Payables	8	136.52	131.60
(i) Outstanding dues of Micro and Small Enterprises			
(ii) Outstanding dues of creditors other than Micro and Small Enterprises		15,036.62	10,028.16
(c) Other Current Liabilities	9	6,907.46	4,234.64
(d) Short Term Provisions	10	130.43	134.00
	Total	55,229.54	58,283.08
II ASSETS			
1 Non Current Assets			
(a) Fixed Assets	11	42,579.35	44,967.41
(i) Tangible Assets		6.78	30.44
(ii) Intangible Assets		7.91	89.03
(iii) Capital Work - in - Progess			
(b) Non Current Investments	12	54.46	54.95
(c) Deferred Tax Assets (Net)	13	-	378.84
(d) Long Term Loans and Advances	14	404.63	351.83
(e) Other Non Current Assets	15	162.39	156.75
2 Current Assets			
(a) Inventories	16	7,581.52	8,361.92
(b) Trade Receivables	17	3,469.61	1,506.08
(c) Cash and Bank Balances	18	643.42	250.67
(d) Short Term Loans and Advances	19	185.75	2,135.16
(e) Other Current Assets	20	133.72	
	Total	55,229.54	58,283.08
Significant Accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

For and on behalf of the Board of Directors

Atul Gala

Partner

Membership No. 048650

H R KILACHAND

Chairman & Managing Director

DIN:00294835

P N DUBEY

Director

DIN:02132564

Place: Mumbai

Date: 25th May, 2016

ROHIT BALU

Chief Financial Officer

D J SHAH

Director & Company Secretary

DIN:03095028

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD OF FIFTEEN MONTHS ENDED 31ST MARCH, 2016

Particulars	Note No.	For the Period of Fifteen Months ended on 31st March, 2016	(₹ In Lac) For the Period of Eighteen Months ended on 31st December, 2014
I. REVENUE			
Revenue from Operations (Gross)	21	37,734.84	74,954.17
Less: Excise Duty		<u>5,886.65</u>	<u>31,145.94</u>
Revenue from Operations (Net)		31,848.19	43,808.23
II. OTHER INCOME	22	111.20	237.39
III. Total Revenue (I + II)		<u>31,959.39</u>	<u>44,045.62</u>
IV. EXPENSES			
Cost of Materials Consumed	23	24,763.68	27,073.33
Purchases of Stock in Trade	24	-	374.56
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	25	536.94	13,536.53
Employee Benefits Expense	26	2,490.67	3,274.09
Finance Costs	27	4,210.33	5,719.21
Depreciation and Amortization Expense (net of transfer from Revaluation Reserve Nil (P.Y. ₹ 807.33 Lac)	11	2,582.51	2,354.74
Other Expenses	28	2,280.47	3,715.11
Total Expenses		<u>36,864.60</u>	<u>56,047.57</u>
V. Loss Before Tax (III-IV)		<u>(4,905.21)</u>	<u>(12,001.95)</u>
VI. Tax Expense:			
a Current Tax		-	-
b MAT Credit entitlement reversed		38.17	-
b Deferred Tax		378.84	-
VII. Loss for the Period (V-VI)		<u>(5,322.22)</u>	<u>(12,001.95)</u>
Basic Earnings Per Equity Share		<u>(53.00)</u>	<u>(130.20)</u>
Diluted Earnings Per Equity Share		(53.00)	(130.20)
[Nominal Value of Equity Share ₹ 10/- (P.Y. ₹ 10/-)]	38		
Significant Accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

For and on behalf of the Board of Directors

Atul Gala

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H R KILACHAND

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DIN:00294835

P N DUBEY

Director

DIN:02132564

Place: Mumbai

Date: 25th May, 2016

ROHIT BALU

Chief Financial Officer

D J SHAH

Director & Company Secretary

DIN:03095028

Annual Report 2015-2016 (15 Months)

1. 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, except Land, Building, Plant & Machinery and Furniture & Fixtures of the Sugar and Distillery Division, which are carried at revalued amount. 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 it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- (i) Sale of goods: Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales are net of value added taxes and excise duty.
- (ii) Income from services is recognised (net of service tax as applicable) as they are rendered, based on agreement/arrangement with the concerned parties.
- (iii) Dividend income is accounted for when the right to receive the income is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- (iv) Insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

(d) Fixed Assets

- (i) 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.
- (ii) Freehold Lands are stated at cost of acquisition including revaluation amount.
- (iii) On 30th June 2012, the Company has revalued Land, Building, Plant & Machinery and Furniture & Fixtures of the Sugar and Distillery Division. The assets are stated at fair market value less accumulated depreciation recognized after the date of the revaluation. Revaluation Reserve to the extent of amount in excess of Written Down Value, is shown as Revaluation Reserve under the head "Reserves & Surplus".
- (iv) 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) Depreciation

- (i) Leasehold Land and Premium on Leasehold Land is amortised over the period of lease.
- (ii) Depreciation on the Bio-Gas Plant, Plant & Machinery installed for Expansion and Modernisation and Assets taken on lease has been provided on a Straight Line Method based on remaining useful life of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- (iii) For all other assets, depreciation is provided on a Written Down Value Method based on remaining useful life of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- (iv) Depreciation on Assets, whose actual cost does not exceed ₹ 0.05 Lac for each asset is provided at the rate of hundred percent.
- (v) Depreciation on revalued portion is provided for the balance estimated useful life of the respective assets.
- (vi) For assets added / disposed off during the year, depreciation has been provided on a pro-rata basis with reference to the period, at the applicable rates.

(f) 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.

(g) 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.

(h) Borrowing Costs:

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.

(i) 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.

(j) 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.

(k) Inventories

- (i) Raw Materials, Work-in-Process and Stores and Spares are valued at lower of cost arrived on weighted average method and Net Realisable Value.
- (ii) Finished Goods and Trading Goods are valued at lower of cost and Net Realisable Value. Cost includes direct material, direct labour, excise duty and attributable overheads.

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(iii) By-Products and Scrap Materials are valued at estimated net realisable value.

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.

(l) Foreign Currency Transactions

Transactions in foreign currencies are accounted at the initially recorded exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year-end rates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit and loss. In case of forward contracts (non speculative), the premium or discount being the differences between the forward exchange rate and the exchange rate at the inception of the contract is recognized as expense or income over the life of the contract. The exchange difference either on settlement or translation is recognized in the statement of profit and loss.

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

(m) Research & Development Expenditure

Expenditure during Research phase is charged off to the statement of Profit and Loss in the year in which it is incurred and expenditure during Development phase is shown as an addition to Fixed Assets, if it is materialized, else it is charged off in the year where it is not materialized.

(n) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss after tax for the year 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 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) 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.



Minimum Alternate Tax (MAT)

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

(q) Segment Reporting

The segment reporting is in line with the accounting policies of the Company. Inter segment transactions have been accounted for based on the price which has been arrived at considering cost plus appropriate margins. Revenue and expenses that are directly identifiable with or allocable to segments are considered for determining the segment results. Segment assets and liabilities include those directly identifiable with the respective segments. Business segments are identified on the basis of the nature of products, the risk/return profile of the individual business, the organizational structure and the internal reporting system of the Company.

(r) Retirement and other employee Benefits

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

(s) Contingent Liabilities

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

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.

(t) 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.

(u) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is netted off with the related costs, which they are intended to compensate. Where the grant relates to fixed asset, it is deducted from the gross value of the respective fixed asset.

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

2	SHARE CAPITAL PARTICULARS	(₹ In Lac)			
		As at 31st March, 2016		As at 31st December, 2014	
		Number	Amount	Number	Amount
Authorised					
	Equity Shares of ₹ 10/- each	1,20,00,000	1,200.00	1,20,00,000	1,200.00
	Preference Shares of ₹ 10/- each	1,00,00,000	1,000.00	60,00,000	600.00
Issued, Subscribed & Paid up					
	Equity Shares of ₹ 10/- each	1,00,79,682	1,007.97	99,99,162	999.92
	Zero Coupon Optionally Convertible Preference Shares	-	-	1,69,100	16.91
	Total	1,00,79,690	1,007.97	1,01,68,262	1,016.83
(a)	Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period				
(i)	Equity Shares Outstanding				
	Shares outstanding at the beginning of the year	99,99,162	999.92	86,20,162	862.02
	Shares Issued during the year	80,520	8.05	13,79,000	137.90
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	1,00,79,682	1,007.97	99,99,162	999.92
(ii)	Redeemable Preference Shares Outstanding				
	Shares outstanding at the beginning of the year	-	-	6,60,000	66.00
	Shares Issued during the year	-	-	-	-
	Shares redeemed during the year	-	-	6,60,000	66.00
	Shares outstanding at the end of the year	-	-	-	-
(iii)	Zero Coupon Optionally Convertible Preference Shares Outstanding				
	Shares outstanding at the beginning of the year	1,69,100	16.91	-	-
	Shares Issued during the year*	-	-	30,65,000	306.50
	Shares converted into Equity Shares during the year*	1,69,092	16.91	28,95,900	289.59
	Shares extinguished	8	-	-	-
	Shares outstanding at the end of the year	-	0	1,69,100	16.91

* During the Current Period, 1,69,092 (P.Y. 28,95,900) Optionally Convertible Preference shares holders have exercised their rights and the Company has issued 80,520 (P.Y. 13,79,000) Equity Shares of ₹ 10/- each at a premium of ₹ 11/- per share.

(b) Terms/rights attached to

(i) Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10/- per Share. Each Holder of Equity Shares is entitled to one vote per Share. The Company declares and pays Dividends in Indian Rupees. The Dividend, if proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except for interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their holdings.

(ii) Zero Coupon Optionally Convertible Preference Shares

Zero Coupon Optionally Convertible Preference Shares issued to promoter/ promoter group on preferential basis with an option to convert, either partly or fully, in one or more tranches, in one or more financial years, at a price of ₹ 21/- each (including securities premium of ₹ 11/- each).

(c) Details of Shareholders holding more than 5% Shares in the Company

(i) Equity Shareholder

Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kesar Corporation Pvt. Ltd.	23,37,922	23.19	23,37,922	23.38
Duracell Investments & Finance Pvt. Ltd. (merged with Seel Investment Pvt. Ltd. w.e.f. 08/05/2015)	-	-	16,29,950	16.30
Seel Investment Pvt. Ltd.	32,25,699	32.00	15,15,229	15.15
H R Kilachand	5,83,777	5.79	5,83,777	5.84

KESAR ENTERPRISES LIMITED

3 RESERVES & SURPLUS

PARTICULARS	(₹ In Lac)	
	As at 31st March, 2016	As at 31st December, 2014
(a) Capital Reserves	67.90	67.90
(b) Capital Redemption Reserve		
Opening Balance	-	134.00
Less: Transfer to General Reserve on redemption of Preference Shares	-	134.00
Closing Balance	-	-
(c) Securities Premium Reserve		
Opening Balance	792.19	640.50
Add : Securities premium credited on Share issued	8.86	151.69
Closing Balance	801.05	792.19
(d) Revaluation Reserves		
Opening Balance	21,862.29	22,669.62
Less: Transfer to General Reserve	964.90	-
Less: Transfer to Depreciation and Amortization Expense	-	807.33
Closing Balance	20,897.39	21,862.29
(e) Storage and Effluent Disposal Reserves:		
(Refer Note No 31)		
(i) Storage Reserves for Alcohol:		
Opening Balance	4.83	4.33
Add: Current Period Transfer	0.43	0.50
Closing Balance	5.26	4.83
(ii) Storage Reserves for Molasses:		
Opening Balance	48.81	53.14
Add: Current Period Transfer	4.64	4.57
Less: Expensed in current period	-	8.90
Closing Balance	53.45	48.81
(iii) Effluent Disposal Reserves		
Opening Balance	5.14	4.60
Add: Current Period Transfer	0.45	0.54
Closing Balance	5.59	5.14
(f) General Reserve		
Opening Balance	1,670.26	1,536.26
Add: Transfer from Revaluation Reserve	964.90	-
Add: Transfer from Capital Redemption Reserve on redemption of Preference Share	-	134.00
Closing Balance	2,635.16	1,670.26
(g) Surplus		
Opening balance	(15,058.76)	(2,934.07)
Less: Additional Depreciation as per Companies Act, 2013	-	(122.74)
Less: Net Loss for the Period	(5,322.22)	(12,001.95)
Closing Balance	(20,380.98)	(15,058.76)
Total	4,084.82	9,392.66

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4. LONG TERM BORROWINGS PARTICULARS	(₹ In Lac)	
	As at 31st March, 2016	As at 31st December, 2014
(a) Secured Borrowings		
(i) Term Loans from Banks		
(1) Sugar Development Fund (Modernisation Loan)	453.89	453.89
Security: Secured by way of first pari passu charge on Properties of the Sugar Factory at Baheri both present and future		
Terms of Repayments: Tranche I: Repayable in 5 annual installments of ₹ 44.05 Lac each, starting from August 3, 2018 to August 3, 2022. Interest payable at Bank rate minus 2% (i.e. 4% p.a.) payable alongwith the principle repayment		
Tranche II: Repayable in 5 annual installments of ₹ 46.72 Lac each, starting from August 15, 2018. to August 15, 2022. Interest payable at Bank rate minus 2% (i.e. 4% p.a.) alongwith the principle repayment"		
(2) Sugar Development Fund (Co-Gen Term Loan)	1,431.46	2,386.19
Security: Secured by way of first pari passu charge on Properties of the Sugar Factory at Baheri both present and future		
Terms of Repayments: Tranche I: Repayable in 10 half yearly installments of ₹ 159.77 Lac each, starting from July 4, 2014 to January 4, 2019. Interest payable at Bank rate minus 2% (i.e. 4% p.a.) payable annually during the moratorium period and alongwith the principle repayment thereafter.		
Tranche II: Terms of Repayments: Repayable in 10 half yearly installments of ₹ 158.47 Lac each, starting from March 2015 to September 2019. Interest payable at Bank rate minus 2% (i.e. 7.50% p.a.) payable annually during the moratorium period and alongwith the principle repayment thereafter."		
(3) UCO Bank Ltd. (Co-Gen Term Loan)		
(i) Term Loan	3,425.84	4,038.77
(ii) Funded Interest Term Loan (FITL)	720.00	-
Primary Security: Secured by way of first pari passu charge on all Fixed Assets of Sugar, Distillery and Power Division at Baheri both present and future, by way of 1st pari passu charge on the Current Assets of proposed Power Project both present and future.		
Collateral Security: Secured by way of 2nd pari passu charge on the Current Assets of Sugar, Distillery Division at Baheri (except Sugar Stocks pledged) both present and future		
Personal Guarantee: Personal Guarantee of Shri H R Kilachand.		
Terms of Repayments: Repayable in 24 quarterly instalments of ₹ 171.29 Lac & ₹ 42.17 lac each, starting from quarter ending September 2016 to June 2022 as per bilateral debt restructuring plan. Interest payable at Allahabad Bank (Lead Bank's) Base Rate plus 3% p.a. with monthly rest.		

PARTICULARS	(₹ In Lac)	
	As at 31st March, 2016	As at 31st December, 2014
(4) Allahabad Bank (Modernisation Term Loan)	37.00	137.00
Primary Security: Secured by way of first pari passu charge on all Fixed Assets of Sugar Division at Baheri both present and future		
Collateral Security: Secured by way of 2nd pari passu charge on the Current Assets of Sugar and Distillery Division at Baheri (except Sugar Stocks pledged) both present and future		
Terms of Repayments: Repayable in 24 quarterly installments of ₹ 20 Lac each, starting from November 2011 to August 2017. Interest payable at Base Rate plus 3% p.a. with monthly rest.		
(5) Allahabad Bank (Co-Gen Term Loan)		
(i) Term Loan	3,644.16	4,545.69
(ii) Funded Interest Term Loan (FITL)	720.00	-
Primary Security: Secured by way of first pari passu charge on all Fixed Assets of Sugar, Distillery and Power Division both present and future at Baheri Secured by way of 1st pari passu charge on the Current Assets of Power at Baheri Project both present and future		
Collateral Security: Secured by way of 2nd pari passu charge on the Current Assets of Sugar, Distillery Division at Baheri (except Sugar Stocks pledged) both present and future.		
Personal Guarantee: Personal Guarantee of Shri H R Kilachand.		
Terms of Repayments: Repayable in 24 quarterly instalments of ₹182.21 Lac & 45.00 Lac each, starting from quarter ending September 2016 to June 2022 as per bilateral debt restructuring plan. Interest payable at Base Rate plus 3% p.a. with monthly rest.		
(6) U.P. Co-Operative Bank, SEFA Loan (Scheme for Extending Financial Assistance to Sugar Undertakings, 2014)	1,303.30	2,040.00
Security: Secured by way of residual charge on the Fixed Assets of the Sugar Division situated at Baheri, on pari passu basis		
Terms of Repayment: Repayable in 5 years including 2 years of moratorium i.e 36 Equally monthly installment of ₹ 56.67 lac from March, 2016.		
Rate of Interest: 12% p.a. (effective rate is Nil due to Subsidy from Central Government & Sugar Development Fund)		
Total Secured Borrowings	11,735.65	13,601.54

(Out of the total secured borrowings of ₹15,761.51 Lac (P.Y. ₹ 14,338.03 Lac), borrowings of ₹ 4,025.86 Lac (P.Y. ₹ 736.49 Lac) having current maturities, have been disclosed in Note No: 9)

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PARTICULARS	(₹ In Lac)	
	As at 31st March, 2016	As at 31st December, 2014
(b) Unsecured Borrowings		
Loans from Related Parties	170.00	-
Interest free and repayable on demand but not before 12 months from the date of Balance Sheet (Refer note No 35)		
Total Unsecured Borrowings	170.00	-
(Out of the total unsecured borrowings of ₹ 241.23 Lacs (P.Y. ₹ 260.33 Lac), borrowings of ₹ 71.23 Lac (P.Y. ₹ 260.33 Lac) having current maturities, have been disclosed in Note No:9)		
Total	11,905.65	13,601.54
Details of Default in repayment of principle Instalment & Interest as at 31st March, 2016		
	No. of Months of Delay/ Default	₹ in Lac
Sugar Development Fund (Cogen Term Loan) (Principle)	2 to 12 Months	636.49
Sugar Development Fund (Cogen Term Loan) (Interest)	2 to 12 Months	260.16
UCO Bank Ltd (Cogen Term / FITL Loan (Interest)	1 to 2 Months	30.44
Allahabad Bank - Modernisation Sugar (Principle)	1 Month	15.00
Allahabad Bank - Modernisation Sugar (Interest)	1 Month	1.51
Allahabad Bank - Cogen / FITL Loan (Interest)	1 Month	15.42
UP Co-operative Bank - SEFA Loan (Principle)	1 Month	56.67
There were no default in repayment of principle Instalment & Interest in previous period		
5. OTHER LONG TERM LIABILITIES		
Deposits from Dealers & Customers	63.06	67.26
(Repayable on cancellation of distributionship and Interest in the range of 9% to 12% p.a.)		
Total	63.06	67.26
6. LONG TERM PROVISIONS		
Provision for Employees Benefits		
(i) Leave Encashment (Non funded)	68.68	70.60
(ii) Gratuity (Funded)	468.62	371.70
Total	537.30	442.30
7. SHORT TERM BORROWINGS		
(a) Secured Loans from Banks		
(i) Cash Credit Facilities		
(1) Allahabad Bank	4,312.35	3,961.60
Security: Sugar Division: Secured by pledge of Sugar Stock and second pari passu charge on Fixed Assets of Sugar and Spirit Division		
Spirit Division: Secured by way of hypothecation of Current Assets of Sugar Division (except Sugar Stock) & Spirit Division and secured by second pari passu charge on Fixed Assets of Sugar & Spirit Division		
Seed Division: Secured by way of hypothecation of Current Assets of Seed Division and second pari passu charge on Fixed Assets of Sugar & Spirit Division		
Rate of Interest: Base Rate + 4% p.a.		
(2) U. P. Co - Operative Bank	6,346.86	9,276.81

KESAR ENTERPRISES LIMITED

PARTICULARS	(₹ In Lac)	
	As at 31st March, 2016	As at 31st December, 2014
Security: Secured by pledge of Stocks of Sugar and further secured by second pari passu charge on Fixed Assets of Sugar Division and Rate of Interest: 11.50% p.a.		
(b) Unsecured loans from Banks		
(1) From UCO Bank	2,760.50	3,995.68
(2) From Allahabad Bank (Rate of Interest: 7% p.a.)	2,000.00	2,000.00
Total	15,419.71	19,234.09
Details of Default in repayment of principle Instalment & Interest as at 31st March, 2016		
	No. of Months of Delay/ Default	(₹ In Lac)
Allahabad Bank - Short Term Loan (Principle)	1 Month	2,000.00
Allahabad Bank - Short Term Loan (Interest)	1 Month	158.42
There were no default in repayment of principle Instalment & Interest in previous period		
8. TRADE PAYABLES		
Trade payable for goods and services received		
(a) Outstanding Dues to Micro and Small Enterprises (Ref Note No.32)	136.52	131.60
(b) Outstanding Dues of Creditors other than Micro and Small Enterprises	15,036.62	10,028.16
Total	15,173.14	10,159.76
9. OTHER CURRENT LIABILITIES		
(a) Current maturities of Long Term Debts		
(i) Current maturities of Long Term Debts - Secured Borrowings (Refer Note No 4)	4,025.86	736.49
(ii) Current maturities of Long Term Debts - Unsecured Borrowings (Refer Note No 4)	71.23	260.33
(b) Interest accrued but not due on Borrowings	434.29	212.55
(c) Interest accrued and due on Borrowings	465.95	184.72
(d) Advance received from Customers	347.41	1,435.33
(e) Unpaid Dividends (Investor Education and Protection Fund will be credited by following amounts as and when due)	4.57	5.14
(f) Payables for Capital Goods	533.73	190.21
(g) Payables for Other Contractual Obligations	317.91	397.31
(h) Payable to Related Party (Refer Note No 35)	201.41	178.26
(i) Statutory Dues	495.46	634.30
(j) Bank Account Book Overdraft	9.64	-
Total	6,907.46	4,234.64
10. SHORT TERM PROVISIONS		
(a) Provision for Employees Benefits		
(i) Gratuity (Funded)	89.38	96.06
(ii) Leave Encashment (Unfunded)	25.78	10.94
(b) Others		
Provision of Income Tax including Wealth Tax [Net of Advance Payment of Income Tax including Wealth Tax ₹ 439.49 Lacs (P.Y. ₹ 439.55 Lacs)]	15.27	27.00
Total	130.43	134.00

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11. FIXED ASSETS (owned, unless stated otherwise)

Particulars	Gross Block			Accumulated Depreciation						(₹ In Lac)
	Balance as at 1st January, 2015	Balance on Revaluation as at 1st January, 2015	Additions	Disposals	Balance as at 31st March, 2016	1st January, 2015	Revaluation / amortization as at 1st January, 2015	Depreciation / amortization as at 1st January, 2015	On Disposals	On Additional Depreciation
(a) Tangible Assets										
(i) Land										Net Block
(1) Freehold	812.49	5,064.89	-	-	5,877.38	-	-	-	-	5,877.38
(2) Lease hold Land Premium	0.06	-	-	-	0.06	0.04	-	-	-	0.02
(3) Leasehold Land	12.39	6,454.70	-	-	6,467.09	2.91	135.97	0.16	81.75	- 220.79 6,246.30
(ii) Buildings	824.94	11,519.59	-	-	12,344.53	2.95	135.97	0.16	81.75	- 220.83 12,123.70
(iii) Plant and Equipments	5,796.54	3,396.99	-	31.04	9,162.49	2,458.85	170.31	449.97	409.08	9.19 - 3,479.02 5,683.47
(iv) Office Equipments	27,487.35	7,976.69	190.58	13.01	35,641.61	8,663.95	999.81	1,097.01	365.06	9.71 - 11,116.12 24,525.49
(v) Vehicles	595.47	-	8.96	2.93	601.50	526.61	-	42.73	-	2.68 - 56.66 34.84
(vi) Furniture and Fixtures	302.00	314.57	0.40	25.02	591.95	259.58	-	11.12	-	14.42 - 256.28 18.21
Total (a)	35,297.45	23,207.84	199.94	88.66	58,616.57	12,171.64	1,345.53	1,614.65	964.91	59.51 - 16,037.22 42,579.35
(b) Intangible Assets										
Computer software	146.84	-	-	-	146.84	137.11	-	2.95	-	- 140.06 6.78
Total (b)	146.84	-	-	-	146.84	137.11	-	2.95	-	- 140.06 6.78
Total (a+b)	35,444.29	23,207.84	199.94	88.66	58,763.41	12,308.75	1,345.53	1,617.60	964.91	59.51 - 16,177.28 42,586.13
(c) Capital Work In Progress										
	89.03	-	181.93	263.05	7.91	-	-	-	-	- 7.91
Total (a+b+c)	35,533.32	23,207.84	381.87	351.71	58,771.32	12,308.75	1,345.53	1,617.60	964.91	59.51 - 16,177.28 42,594.04

Notes: The written down value of Freehold Land, Leasehold Land, Building, Plant and Equipments and Furniture and Fixtures revalued by the Company on 30th June, 2012 were ₹ 4,715.42 lacs and their fair market value were ₹ 27,923.26 lacs. Hence, the revaluation resulted in increase in the value of Freehold Land, Leasehold Land, Building, Plant and Equipments and Furniture and Fixtures by ₹ 23,207.84 lacs. The revaluation of the Freehold Land, Leasehold Land, Building, Plant and Equipments and Furniture and Fixtures resulted into additional Depreciation charge of ₹ 96.91 lacs for the year under consideration. Depreciation on revalued portion is provided for the balance estimated useful life of the respective assets and equivalent amount is transferred from Revaluation Reserve to General reserve.

**11. FIXED ASSETS (owned, unless stated otherwise) (FOR THE PERIOD OF EIGHTEEN
MONTHS ENDED ON 31ST DECEMBER, 2014)**

Particulars	Gross Block			Accumulated Depreciation					Net Block (₹ In Lac)
	Balance as at 1st July, 2013	Balance on Revaluation as at 1st July, 2013	Additions	Disposals	Balance as at 31st December, 2014	Balance as at 1st July, 2013	Revaluation / amortization as at 1st July, 2013	On Disposals	
(a) Tangible Assets									
(i) Land									
(1) Freehold	812.49	5,064.89	-	-	5,877.38	-	-	-	-
(2) Land Premium	-	-	-	-	-	-	-	-	-
(2) Lease hold Land Premium	0.06	-	-	-	0.06	0.04	-	-	0.02
(3) Leasehold Land	12.39	6,454.70	-	-	6,467.09	2.72	54.39	0.19	81.58
	824.94	11,519.59	-	-	12,344.53	2.76	54.39	0.19	81.58
(ii) Buildings	5,789.66	3,396.99	6.89	-	9,193.53	1,889.31	68.13	532.09	102.19
(iii) Plant and Equipments	27,956.03	7,976.69	80.40	549.07	35,464.04	7,157.11	399.92	1,663.89	599.90
(iv) Office Equipments	593.06	-	5.62	3.21	595.47	430.90	-	93.05	-
(v) Vehicles	504.98	-	23.35	237.18	291.15	407.71	-	45.15	194.88
(vi) Furniture and Fixtures	313.45	314.57	2.20	13.65	616.57	243.12	15.77	20.37	23.66
	35,982.12	23,207.84	118.46	803.11	58,505.29	538.21	2,354.74	807.33	416.05
Total (a)	35,982.12	23,207.84	118.46	803.11	58,505.29	538.21	2,354.74	807.33	416.05
(b) Intangible Assets									
Computer software	146.84	-	-	-	146.84	116.40	-	-	-
Total (b)	146.84	-	-	-	146.84	116.40	-	-	-
(3) Total (a+b)	36,128.96	23,207.84	118.46	803.11	58,652.13	10,247.31	538.21	2,354.74	807.33
(c) Capital Work In Progress	77.35	-	11.67	-	89.03	-	-	-	-
Total (a+b+c)	36,206.31	23,207.84	130.13	803.11	58,741.16	10,247.31	538.21	2,354.74	807.33

Notes: The written down value of Freehold Land, Leasehold Land, Building, Plant and Equipments and Furniture and Fixtures revalued by the Company on 30th June, 2012 were ₹ 4,715.42 lacs and their fair market value were ₹ 27,923.26 lacs. Hence, the revaluation resulted in increase in the value of Freehold Land, Leasehold Land, Building, Plant and Equipments and Furniture and Fixtures by ₹ 23,207.84 lacs. The revaluation of the Freehold Land, Leasehold Land, Building, Plant and Equipments and Furniture and Fixtures resulted into Additional Depreciation charge of ₹ 807.33 lacs for the year under consideration. In accordance with the option given in the Guidance Note on Accounting for Depreciation, the Company recouped additional Depreciation out of Revaluation Reserve.

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PARTICULARS	(₹ In Lac)	
	As at 31st March, 2016	As at 31st December, 2014
12. NON CURRENT INVESTMENTS		
Other Investments (at cost unless otherwise stated)		
(a) In fully paid Equity Shares (Unquoted)		
(i) 300 Shares of ₹ 100/- each (P.Y. 300 Shares of ₹ 100/- each) of U.P. Seeds & Tarai Development Corporation Ltd.	0.30	0.30
(ii) 5 Shares of ₹ 10/- each (P.Y. 5 Shares of ₹ 10/- each) of Baheri Co-operative Cane Development Union Ltd.	-	-
(iii) 17 Shares of ₹ 20/- each (P.Y. 17 Shares of ₹ 20/- each) of Sahakari Ganna Vikas Samiti Ltd.	-	-
(iv) 1 Share of ₹ 100/- (P.Y. 1 Share of ₹ 100/-) of Ganna Beej Nigam, Bareilly	-	-
(v) 1 Share of ₹ 20/- (P.Y. 1 Share of ₹ 20/-) of Bhojeepura Co-operative Cane Development Union Ltd.	-	-
(vi) 25,000 Equity Shares of ₹ 10/- each (P.Y. 25,000 Equity Shares of ₹ 10/- each) of Kesar Multimodal Logistics Ltd. (Extent of holding 0.06% (P.Y. 0.06%))	2.50	2.50
(vii) 10 Equity Shares of ₹ 1000/- each (P.Y. 10 Equity Shares of ₹ 1000/- each) of Antophil Warehousing Company Ltd.	0.10	0.10
Total	2.90	2.90
(b) In fully paid Equity Shares (Quoted)		
(i) 5,00,000 Equity Shares of ₹ 10/- each (P.Y. 5,00,000 Equity Shares of ₹ 10/- each) of Kesar Terminals and Infrastructure Limited (Extent of Holding 9.52% [P.Y. 9.52%])	50.00	50.00
(ii) 43,200 Equity Shares of ₹ 2/- each (P.Y. 43,200 Equity Shares of ₹ 2/- each) of Walchandnagar Industries Ltd. [Extent of holding 0.11% (P.Y. 0.11%)]	0.27	0.27
(iii) 9,230 Equity Shares of ₹ 10/- each (P.Y. 9,230 Equity Shares of ₹ 10/- each) of Shervani Industrial Syndicate Ltd. [Extent of holding 0.28% (P.Y. 0.28%)]	0.23	0.23
(iv) 15,000 Equity Shares of ₹ 2/- each (P.Y. 15,000 Equity Shares of ₹ 2/- each) of Indian Hume Pipe Co. Ltd. [Extent of holding 0.01% (P.Y. 0.01%)]	0.18	0.18
(c) Investment in Government Security		
National Savings Certificates (Lodged as security deposit)	0.88	1.37
Total	51.56	52.05
Total (a+b)	54.46	54.95
Aggregate cost of Quoted Investments	50.68	50.68
Aggregate cost of Unquoted Investments	3.78	4.27
Total	54.46	54.95
Market Value of Quoted Investments	2,034.33	2,489.95
13. DEFERRED TAX ASSETS (NET)		
(a) Deferred Tax Assets		
(i) Expenses allowable on payment basis for Tax purposes	264.84	319.54
(ii) Carried Forward Business Losses and Unabsorbed Depreciation (Refer Note No 39)	1,867.35	1,631.92
(b) Deferred Tax Liability		
Impact of difference between Tax Depreciation & Book Depreciation	2,132.19	1,572.62
Net Deferred Tax Assets (a-b)	-	378.84

14. LONG TERM LOANS AND ADVANCES

PARTICULARS	(₹ In Lac)	
	As at 31st March, 2016	As at 31st December, 2014
(a) Security Deposits	15.03	27.30
(b) MAT Credit entitlement	16.94	64.16
(c) Balance with Government Authorities	213.64	192.91
(d) Other Loans and Advances		
Unsecured, considered good	159.02	67.46
Unsecured, considered doubtful	11.46	17.81
	<u>170.48</u>	<u>85.27</u>
Less: Provision for doubtful advances	11.46	17.81
	<u>159.02</u>	<u>67.46</u>
Total	<u>404.63</u>	<u>351.83</u>

15. OTHER NON CURRENT ASSETS

(a) Fixed Deposits with maturity of more than 12 months (Under lien for issuing various Bank Guarantees in favour of Government authorities)	152.31	150.21
(b) Interest Accrued on Bank Fixed Deposits	9.50	5.73
(c) Interest Accrued on Investments	0.58	0.81
Total	<u>162.39</u>	<u>156.75</u>

16. INVENTORIES

(a) Raw Materials and components (Valued at lower of Cost or NRV)		
(i) Molasses	14.79	11.90
(ii) Malt Spirit	8.33	41.15
	<u>23.12</u>	<u>53.05</u>
(b) Work-in-progress (Valued at lower of Cost or NRV)		
(i) Sugar	44.50	458.35
(ii) Molasses	1.09	5.83
(iii) Rectified Spirit	-	4.50
	<u>45.59</u>	<u>468.68</u>
(c) Finished goods (Valued at lower of Cost and Net Realisable Value)		
(i) Sugar *	6,451.93	6,573.05
(ii) Spirits *	67.82	470.48
(iii) Banked Power	40.43	30.66
	<u>6,560.18</u>	<u>7,074.19</u>
(d) By - Products (Valued at estimated realisable value)		
(i) Molasses	632.13	231.97
(ii) Bagasses	51.88	93.97
	<u>684.01</u>	<u>325.94</u>
(e) Stores and spares (Valued at Cost)	268.62	440.06
Total	<u>7,581.52</u>	<u>8,361.92</u>

* includes Excise Duty on Closing Stock ₹ 403.43 Lac (P.Y. ₹ 488.82 Lac)

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17. OTHER NON CURRENT ASSETS

PARTICULARS	(₹ In Lac)	
	As at 31st March, 2016	As at 31st December, 2014
(Unsecured, considered good unless stated otherwise)		
(a) Outstanding for a period exceeding six months from the date they are due for payment	714.24	308.75
Unsecured, considered doubtful	8.67	8.67
Less: Provision for doubtful debts	722.91	317.42
	8.67	8.67
	714.24	308.75
(b) Others	2,755.37	1,197.33
Total	3,469.61	1,506.08

18. CASH AND BANK BALANCES

(a) Cash & Cash Equivalent		
(1) Balance with Bank		
(i) On Current Account	607.46	193.98
(ii) On Unclaimed Dividend Accounts	4.57	5.14
(2) Cash on hand	0.67	9.33
(b) Other Bank Balance		
Fixed deposit with original maturity of more than 12 months	30.72	42.22
Total	643.42	250.67

19. SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered good)		
(a) Advances to Employees	1.26	3.40
(b) Advances to Related Party	17.24	-
(c) Others (advance excise duty, advance to supplier & Others)	167.25	2,131.76
Total	185.75	2,135.16

20. OTHER CURRENT ASSETS

Refund of Cane Commission Receivables	133.72	-
Total	133.72	-

21. REVENUE FROM OPERATIONS

PARTICULARS	For the period of fifteen months ended on 31st March, 2016	For the period of eighteen months ended on 31st December, 2014
Sale of Products		
(a) Manufactured Goods		
(i) Sugar	24,916.45	31,938.61
(ii) Power	4,780.88	4,456.29
(iii) Spirits	7,715.64	37,824.74
(iv) By - Products	157.20	98.99
Less: Transferred to Molasses & Alcohol Storage Reserves and Effluent Disposal Reserves	5.52	5.62
	37,564.65	74,313.01
(b) Traded Goods (Seeds)	6.84	491.66
(c) Other Operating Revenue		
(i) Scrap Sale	11.50	47.54
(ii) Sale of REC	96.41	-
(iii) Sundry Income	55.44	101.96
Total Other Operating Revenue	163.35	149.50
Total (a+b+c)	37,734.84	74,954.17
Less: Excise Duty	5,886.65	31,145.94
Total	31,848.19	43,808.23

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22. OTHER INCOME

PARTICULARS

		(₹ In Lac)
	For the period of fifteen months ended on 31st March, 2016	For the period of eighteen months ended on 31st December, 2014
(a) Dividend Income	18.60	30.91
(b) Interest Income		
(i) On Fixed Deposits	21.29	28.35
(ii) Others	0.25	98.83
(c) Rent	54.74	27.46
(d) Credit Balance/ Excess Provision Written Back	11.92	51.84
(e) Insurance Claims received	4.40	-
Total	111.20	237.39

23. COST OF MATERIAL CONSUMED

(a) Raw Materials Consumed		
(i) Sugar Cane		
Opening Stock	-	-
Add: Purchases	23,272.40	22,468.87
Less: Closing Stock	-	-
Consumption	23,272.40	22,468.87
(ii) Raw Seeds		
Opening Stock	-	7.25
Add: Purchases	-	-
Less: Closing Stock	-	-
Consumption	-	7.25
(iii) Molasses & Spirits		
Opening Stock	53.05	128.37
Add: Purchases	195.93	1,565.01
Less: Closing Stock	23.11	52.40
Consumption	225.87	1,640.98
(iv) Raw Materials Consumed for Power	605.34	166.99
	605.34	166.99
	660.07	2,789.24
(b) Packing Material Consumed	24,763.68	27,073.33
Total		

24. PURCHASE OF STOCK IN TRADE

Purchase of Traded Goods (Seeds)	-	374.56
Total	-	374.56

25. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(a) Opening Stock		
Finished Goods	7,043.53	20,943.48
Banked Power	30.66	76.14
Traded Goods	-	0.25
Work- in - Progress	468.68	241.55
By Products	231.97	49.95
	7,774.84	21,311.37
(b) Closing Stock		
Finished Goods	6,519.75	7,043.53
Banked Power	40.43	30.66
Work- in - Progress	45.59	468.68
By Products	632.13	231.97
	7,237.90	7,774.84
Total	536.94	13,536.53

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26. EMPLOYEE BENEFIT EXPENSES

PARTICULARS

		(₹ In Lac)
	For the period of fifteen months ended on 31st March, 2016	For the period of eighteen months ended on 31st December, 2014
(a) Salaries and Wages	2,193.00	2,951.90
(b) Gratuity expenses	85.96	77.50
(c) Contribution to Provident fund	186.14	190.45
(d) Contribution to Superannuation scheme	12.63	21.45
(e) Staff Welfare	12.94	32.79
Total	2,490.67	3,274.09

27. FINANCE COSTS

(a) Interest Expense		
(i) On Fixed Deposits	23.61	64.34
(ii) On Fixed Loans	1,918.99	2,272.61
(iii) On Cash Credit	1,709.52	3,074.73
(iv) On Short Term Loans	456.37	244.63
(b) Others including bank charges	101.84	62.90
Total	4,210.33	5,719.21

28. OTHER EXPENSES

(a) Stores and Spares	353.12	452.40
(b) Power and Fuel	133.92	186.44
(c) Repairs		
(i) Plant and Equipments	461.83	736.71
(ii) Building	32.03	66.71
(iii) Others	36.40	64.86
(d) Rent	48.95	117.23
(e) Insurance	53.46	81.46
(f) Rates and Taxes	107.58	308.54
(g) Commission and Brokerage	182.13	70.75
(h) Legal Charges	86.72	87.52
(i) Discounts	55.16	102.68
(j) Sales Promotion Expenses	4.49	192.64
(k) (Loading and Unloading Charges	126.38	141.08
(l) Travelling Expenses	73.83	135.87
(m) Transportation and Freight & Forwading	15.18	167.04
(n) Security and Other Labour Charges	106.78	197.51
(o) Donation	1.00	1.63
(p) Directors Sitting Fees	8.00	17.78
(q) Auditors Remuneration		
(i) Audit Fees	6.00	6.00
(ii) For Certification	5.45	6.90
(iii) For Other Matter	0.02	0.46
(iv) Out of Pocket Expenses	0.25	0.66
(r) Cost Audit Fees	1.15	1.20
(s) Sundry Debit Balance / Bad Debts/Advance Wriiten off	72.05	29.63
(t) Loss on Sale / Discarded of Fixed Assets (net)	17.46	69.25
(u) Miscellaneous Expenses	291.13	472.16
Total	2,280.47	3,715.11

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29. CAPITAL AND OTHER COMMITMENTS

(₹ In Lac)

PARTICULARS	As at 31st March, 2016	As at 31st December, 2014
Others for M.I.E.Q.	75.79	-

30. CONTINGENT LIABILITIES

Claims / demands against the Company under litigation:

(i) Claims against the company not acknowledged as debts in respect of criminal and civil cases	₹ 19.52 Lac (Previous Year ₹ 19.52 Lac)	₹ 19.52 Lac (Previous Year ₹ 19.52 Lac)
(ii) Disputed sales tax, entry tax, trade tax and excise duty cases under appeal	– ₹ 8,469.32 lac (Previous Year ₹ 3,392.88 lac)	– ₹ 8,469.32 lac (Previous Year ₹ 3,392.88 lac)
Central Sales Tax	65.57	122.56
Entry Tax (U.P.)	1,165.61	745.07
Trade Tax (U.P.)	113.36	113.36
Excise Duty	7,089.23	2,376.34
Others	35.55	35.55
Total	8,469.32	3,392.88

31. Alcohol and Molasses Storage Reserves and Effluent Disposal Reserves amounting to ₹ 64.30 Lac (P.Y. ₹ 58.78 Lac) are not deposited with a Scheduled Bank, as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974.

32. The Micro and Small Enterprises to whom amount was payable and outstanding for more than stipulated period (as per the terms & conditions of the orders) are as under:-

	As at 31st March, 2016	As at 31st December, 2014
The principal amount and the interest due thereon remaining unpaid to any supplier	137.50	131.60
The amount of Principal and interest paid beyond the appointed day	40.95	124.76
The amount of interest due and payable on delayed payments	18.71	20.37
The amount of interest accrued and remaining unpaid	39.08	20.37
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

This disclosure is on the basis of information available with the Company regarding the status of Suppliers as defined under the "The Micro, Small & Medium Enterprises Act, 2006." Since the Company has not received any claims, hence interest is provided but not paid during the period.

33. EMPLOYEE BENEFIT

Defined Contribution Plans

The Company has recognised the following amounts in statement of Profit and Loss

PARTICULARS	For the Period of Fifteen Months ended on 31st March, 2016	For the Period of Eighteen Months ended on 31st December, 2014
Employer's Contribution to Provident Fund	186.14	190.45
Employer's Contribution to Super Annuation Fund	12.63	21.45

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Defined Benefit Plan

- (i) Gratuity (Funded)
- (ii) Leave Encashment (Non-funded)
- (i) Gratuity (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

	(₹ In Lac)	Defined Benefit (Gratuity) Plan
	For the period of fifteen months ended on 31st March, 2016	For the period of eighteen months ended on 31st December, 2014
Present Value of funded obligations	720.34	739.27
Fair Value of plan assets	162.34	271.51
Net liability (Amount shown in Balance Sheet as Liabilities)	<u>558.00</u>	<u>467.76</u>

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

	Defined Benefit (Gratuity) Plan	
	For the Period of Fifteen Months ended on 31st March, 2016	For the Period of Eighteen Months ended on 31st December, 2014
Current service cost	40.34	35.50
Interest on obligation	73.93	82.48
Expected return on plan assets	(29.70)	(76.85)
Net actuarial losses / (gains) recognized in year	1.39	36.37
Plan assets (Contributions) / transfers by employer	-	-
Total included in employee benefit expense	<u>85.96</u>	<u>77.50</u>

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

	Defined Benefit (Gratuity) Plan	(₹ In Lac)
	For the Period of Fifteen Months ended on 31st March, 2016	For the Period of Eighteen Months ended on 31st December, 2014
Opening defined benefit obligation	739.27	763.25
Service costs	40.34	35.50
Interest costs	73.93	82.48
Actuarial losses / (gains)	(0.90)	36.37
Benefits paid	(132.30)	(178.33)
Closing defined benefit obligation	<u>720.34</u>	<u>739.27</u>

KESAR ENTERPRISES LIMITED

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

(₹ In Lac)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the Period of Fifteen Months ended on 31st March, 2016	For the Period of Eighteen Months ended on 31st December, 2014
Opening fair value of plan assets	271.51	370.24
Expected return on plan assets	29.70	76.85
Assets transferred out/ divestment	(2.47)	-
Contributions	1.88	2.75
Actuarial gain/ (losses)	(5.98)	-
Benefits paid	(132.30)	(178.33)
Closing defined benefit obligation	<u>162.34</u>	<u>271.51</u>

The Company has invested in LIC Group Gratuity Scheme and hence the investment pattern is defined by LIC as per the Scheme.

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

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the Period of Fifteen Months ended on 31st March, 2016	For the Period of Eighteen Months ended on 31st December, 2014
Discount rate	7.56%	8.00%
Salary escalation rate	6.00%	6.00%
Expected return on plan assets	<u>7.56%</u>	<u>8.75%</u>

The expected rate of return is based on the rate as declared by the fund manager (LIC)

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:

	Defined Benefit (Gratuity) Plan				
	For the Period of Fifteen Months ended on 31st March, 2016	For the Period of Eighteen Months ended on 31st December, 2014	For the Year ended on 30th June, 2013	For the Year ended on 30th June, 2012	For the Year ended on 30th June, 2011
Defined benefit obligation	720.34	739.27	763.25	632.34	580.65
Plan assets	162.34	271.51	370.24	402.80	389.74
Surplus/ (deficit)	<u>(558.00)</u>	<u>(467.76)</u>	<u>(393.01)</u>	<u>(229.54)</u>	<u>(190.91)</u>

The Company expects to contribute ₹ 90.23 Lac to Gratuity fund in the next year.

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(g) Experience Adjustment: (₹ In Lac)

Particulars	Defined Benefit (Gratuity) Plan			
	For the Period of Fifteen Months ended on 31st March, 2016	For the Period of Eighteen Months ended on 31st December, 2014	For the Year ended on 30th June, 2013	For the Year ended on 30th June, 2012
On plan Liability (Gains)/ Losses	(38.13)	36.36	7.42	48.09
On plan Assets Gains/ (Losses)	(0.00)	(2.43)	0.19	6.79

(ii) **Leave Encashment (Non-funded)**

The Company has recognised ₹ 32.09 Lac (P.Y. ₹ 19.91 Lac) in statement of Profit and Loss based on actuarial valuation.

34. Segmental Reporting Disclosures under Accounting Standard 17

Business Segments:

Based on the guiding principles given in Accounting Standard 17 "Segmental Reporting" the Company's primary business segments are

- Sugar
- Power
- Spirits
- Agrotech

Geographical Segments:

Since the Company's activities/operations are primarily within the country and considering the nature of products it deals in, the risk and returns are same and as such there are no geographical segments.

Financial Information about the primary business segment:

Figures for the Period of Fifteen Months ended 31st March, 2016 indicated in bold. Previous Period figures indicated in the row there below

PARTICULARS	Sugar	Power	Spirits	Agrotech	Total
(a) Revenue from Operations					
Sales net of Excise Duty (Including Inter Division/ Segment Revenue and Net of Intra Division Revenue)	30,140.38 37226.96	10,288.58 10,041.26	3,015.43 7429.80	6.84 494.68	43,451.23 55,192.70
Other Income	33.96 3.33	12.61 14.13	13.02 25.29	13.33 13.99	72.92 56.74
Less : Inter Segment Revenue	6,193.16 5,809.96	5,409.88 5,574.51	-	-	11,603.04 11,384.47
Add : Unallocable Income					38.28
					180.65
Total Revenue					31,959.39
					44,045.62

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PARTICULARS	(₹ In Lac)				
	Sugar	Power	Spirits	Agrotech	Total
(b) Segmental Results					
Segmental Result before Interest, Exceptional Items & Tax	(2,944.22)	2,954.25	(107.46)	(90.08)	(187.51)
Less : Finance Cost	(8,046.48)	2,878.25	(52.46)	(329.89)	(5,550.58)
					4,210.33
					5,719.21
Less : Unallocable Expenses Net of Unallocable Income					507.37
Less : Exceptional Items					732.16
					-
Profit /(Loss) Before Tax					(4905.21)
					(12,001.95)
Less : Current Tax					-
					-
Less : MAT Credit entitlement reversed					38.17
					-
Less : Deferred Tax					378.84
					-
Profit / (Loss) after Tax					(5,322.22)
					(12,001.95)
(c) Segmental Assets and Liabilities					
(i) Segmental Assets	26,114.55	19,845.13	8,454.91	426.13	54,840.72
	27,071.12	19,352.38	10,474.10	539.96	57,437.56
Unallocable Assets/ Investments					388.82
					845.52
Total Assets					55,229.54
					58,283.08
(ii) Segmental Liabilities	33,303.17	14,015.95	393.81	583.12	48,296.05
	31,150.84	12,204.99	1,896.85	864.59	46,117.27
Share Capital & Reserves & Surplus					5,092.79
					10,409.49
Unallocable Liabilities					1,840.70
					1,756.32
Total Liabilities					55,229.54
					58,283.08
(d) Capital Expenditure and Depreciation					
(i) Capital Expenditure including Capital Work in Progress	179.42	0	0.47	0	179.89
	52.12	36.42	31.82	(7.02)	113.35
Unallocable					-
Total					179.89
					113.35
(ii) Depreciation/ Amortization	1,125.16	1,067.11	339.83	18.95	2,551.04
	509.10	1,529.01	210.01	33.15	2,281.27
Unallocable Depreciation					31.46
					73.47
Total Depreciation/ Amortization					2,582.51
					2,354.74
(iii) Significant non cash expenditure other than Depreciation/ Amortization				(61.07)	(61.07)
				(-)	(-)

Segment Revenue from Operations, Results, Assets and Liabilities and Depreciation include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

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35. Related party disclosures as per Accounting Standard 18

Names of related parties and nature of related party relationships:

a) Key Management Personnel and their relatives:

Mr. H R Kilachand Chairman & Managing Director

Relatives of Key Management Personnel:

Mrs. M H Kilachand Wife of Chairman & Managing Director

Mr. Rohan H Kilachand Son

Mrs. Nidhi R Kilachand Daughter in Law

Ms. Rohita H Kilachand Daughter

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

Kesar Terminals & Infrastructure Limited

Kesar Multimodal Logistics Limited

Kesar Corporation Pvt. Ltd.

Kilachand Devchand & Co. Pvt. Ltd.

Indian Commercial Co. Pvt. Ltd.

India Carat Pvt. Ltd.

Kilachand Devchand Commercial Pvt. Ltd.

Duracell Investments & Finance Pvt. Ltd. (merged with Seel Investment Pvt. Ltd.

w.e.f. 08/05/2015)

Seel Investments Pvt. Ltd.

Disclosure of transactions between the Company and related parties and the status of outstanding balance as on 31st March, 2016 indicated in bold. Previous Year figures indicated in the row there below in brackets:

(₹ In Lac)

Nature of Transaction	Kesar Terminals & Infrastructure Ltd	H. R. Kilachand	Rohan H. Kilachand	Kilachand Devchand & Co. Ltd.	Seel Investment P Ltd	Duracell Investments & Finance P Ltd	Kesar Corporation P Ltd.	Kesar Multimodal Logistics Ltd
Expenses	14.96			20.97				6.17
Reimbursement	(6.78)			(23.78)				(0.50)
Sharing of Common Expenses	171.60							
	(214.40)							
Assets Allocation	0.08							2.11
	(29.84)							(-)
Dividend Received	17.50							
	(30.00)							
Rent Paid				21.73				
				(26.07)				
Interest on F.D.		-						
		(0.17)						
Salary paid			-					
			(16.85)					
Managerial Remuneration		-						
		(9.05)						
Loans received				130.00		-	40.00	
				(-)		(70.00)	(50.00)	
Loans Repaid					85.00		-	
					(50.47)	(119.02)	(24.43)	
Equity Investments				8.05		-	-	
				(142.49)		(139.44)	(24.57)	
Closing Balance Receivables	14.67							2.57
	(-)							(-)
Payables				201.41				
				(178.26)				
Investments	50.00							2.50
	(50.00)							(2.50)
Long Term Borrowing				130.00		40.00		
				(-)		(-)		

KESAR ENTERPRISES LIMITED

Payment to Key Managerial Personnel:

Particulars	Rohit Balu (CFO)	(₹ In Lac)	D J Shah (Director & Company Secretary)
(a) Transactions	29.70	36.79	
Remuneration	(25.25)	(36.79)	
(b) Balance outstanding	1.45	6.98	
Remuneration	(1.89)	(2.27)	

36. Disclosure in respect of Operating Lease in accordance with AS 19 on 'Leases'

- a) The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:
 - i) Not later than one year ₹ 4.00 Lac (P.Y. ₹ 68.84 Lac).
 - ii) Later than one year and not later than five years Nil (P.Y. ₹ Nil)
- b) Lease payments recognised in the statement of profit and loss during the period is ₹ 25.65 Lac (P.Y. ₹ 41.48 Lac).

37. Supplementary statutory information

PARTICULARS	(Rs. In Lacs)	For the Period of Fifteen Months ended on 31st March, 2016	For the Period of Eighteen Months ended on 31st December, 2014
(a) CIF value of Imports			
Capital Goods		-	-
(b) Expenditure in Foreign Currency			
(Foreign Travelling & Business Promotion Expenses)		-	0.15
(c) Amount payable in Foreign Exchange (Unhedged)			
Capital Goods	USD (in Lac)	-	-
	₹	-	-

38. Disclosure in respect of Earning per Share in accordance with Accounting Standard (AS 20)

PARTICULARS	For the Period of Fifteen Months ended on 31st March, 2016	For the Period of Eighteen Months ended on 31st December, 2014
Loss after tax (₹ in Lac)	(5,322.22)	(12,001.95)
Nominal value of equity shares (₹)	10	10
Weighted average no. of equity shares (Basic)	1,00,41,718	92,17,980
Earnings per equity share (Basic) (₹)	(53.00)	(130.20)
Weighted average no. of equity shares (Dilutive)	1,00,41,718	92,17,980
Earnings per equity share (Dilutive) (₹)	(53.00)	(130.20)

39. The Company follows Accounting standard 22 (AS22) "Accounting for taxes on Income", Deferred Tax Asset arising on account of Unabsorbed depreciation and brought forward losses has been recognised only to the extent of Deferred Tax Liability on conservative basis. The management has assessed the position and on the basis of virtual certainty of realising it in future, has recognised Deferred Tax Asset as on 31st March, 2016, amounting to ₹ 1,867.35 Lac (P.Y. ₹ 1,631.92 Lac).

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40. The Company, over the last few years, has been incurring huge cash losses, due to which its net worth has been eroded and its current liabilities are in excess of current assets. The sugar industry is facing difficulties on account of increasing sugar cane prices, lower sugar prices and consequential inadequate recovery of cost of production. These factors have adversely affected the Company's operations and financial performance. Finance cost has further added to the accumulated cash losses.

The Company had filed a Reference with Board for Industrial and Financial Reconstruction (BIFR) as required under Section 15 of "The Sick Industrial Companies (Special Provisions) Act, 1985" on 18/05/2015. The said reference has been registered by BIFR as Case No. 121/2015 on 21/09/2015. The process of revival/ rehabilitation of the Company is under way in line with the prescribed procedures and rules under SICA.

During the current period, the Company has witnessed a steady increase in sugar prices. This has resulted in the Company generating operational profits for the quarter ended March 31, 2016. The industry outlook is also positive in the short term and long term with sugar prices expected to hold.

During the period, the Company has restructured its Cogen Term Loans with two of its term lenders where in the outstanding debts as at 1st July, 2014 (cut-off date), the Company is granted 2 years of moratorium period for full principle amount and partial interest amount and 4 years of repayment period starting from October, 2016 for principle amount and interest thereon.

Accordingly, these financial statements have been prepared on a going concern basis, despite accumulated losses resulting in erosion of its net worth.

41. Sugar cane purchase price for the season 2015-2016 is accounted at State Advisory Price (SAP) ₹ 280/- per quintal for general, ₹ 275/- per quintal for rejected and ₹ 290/- per quintal for early varieties. The Government of Uttar Pradesh has announced various rebates in sugar cane purchase price for the season 2015-2016 vide press note dated 18/01/2016, linked to average market price of sugar & by-products during the period 1st October, 2015 to 31st May, 2016. The above rebates shall be accounted if and when crystallised to the Company or declared by the State Government of Uttar Pradesh.

42. The Government of Uttar Pradesh has announced various rebates in sugar cane purchase price for the season 2014-2015 vide press note dated 12/11/2014, linked to average market price of sugar & by-products during the period 1st October, 2014 to 31st May, 2015. The Company has received and accounted for financial assistance of ₹ 28.60 per quintals of cane which works out to ₹ 1,768.86 lacs and corresponding cost of material consumed is also reduced by the same amount.

The Government of Uttar Pradesh vide Press Note 4/2015/620 S-G-NU-1/15-1607/2004 dated June 12, 2015, has revised commission payable to the Co-operative Societies towards Sugar Cane purchase for the Season 2012-13 and 2014-15 from 3% of FRP to ₹ 2 per quintal. Therefore, excess provision of ₹ 262.50 lacs for the season 12-13 reversed and ₹ 123.70 lacs has been charged for the season 2014-15 during the period.

43. The previous period figures have been regrouped and re-casted wherever necessary. The current financial statements are prepared for the period of Fifteen Months and hence not comparable with the previous period of Eighteen Months figures.

As per our report of even date

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

For and on behalf of the Board of Directors

Atul Gala

Partner

Membership No. 048650

H R KILACHAND

Chairman & Managing Director

DIN:00294835

P N DUBEY

Director

DIN:02132564

Place: Mumbai

Date: 25th May, 2016

ROHIT BALU

Chief Financial Officer

D J SHAH

Director & Company Secretary

DIN:03095028

KESAR ENTERPRISES LIMITED

CASH FLOW STATEMENT FOR THE PERIOD OF EIGHTEEN MONTHS ENDED ON 31ST MARCH, 2016

	Particulars	For the Period of Fifteen Months ended 31st March, 2016	For the Period of Eighteen Months ended 31st December, 2014 (₹ In Lac)
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	NET LOSS BEFORE TAX	(4,905.21)	(12,001.95)
	Non cash adjustments to reconcile loss before tax to net cash flows:		
	Depreciation	2,582.51	2,354.74
	Dividend Income	(18.60)	(30.91)
	Interest Income	(21.54)	(127.18)
	Interest and Finance Charges	4,210.33	5,719.21
	Transferred to Molasses and Alcohol Storage Reserves & Effluent Disposal	5.50	(3.28)
	Reserves net of Expenses		
	Loss / (Profit) on sale of Fixed Assets (net)	17.46	69.25
	Credit Balances Written Back	(11.92)	(51.84)
	Discount given to Debtors/ Dealers	55.16	102.68
	Sundry Balance Written off	72.05	29.63
	OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	1,985.74	(3,939.65)
	Movements in working Capital		
	Decrease / (Increase) in Inventories	780.40	13,589.79
	Decrease / (Increase) in Trade Receivables	(2,090.74)	4,591.39
	Decrease / (Increase) in Short term Loans & Advances	1,949.40	(859.53)
	Decrease / (Increase) in Long term Loans & Advances	(100.01)	23.28
	Decrease / (Increase) in Other Current Assets	(122.22)	(19.23)
	Increase / (Decrease) in Trade Payables	5,025.33	(109.68)
	Increase / (Decrease) in Other Current Liabilities	(929.86)	183.09
	Increase / (Decrease) in Short term Provisions (Employee Benefits)	8.15	(36.66)
	Increase / (Decrease) in Other Long term Liabilities	(4.19)	(26.16)
	Increase / (Decrease) in Long term Provisions	95.00	100.51
	CASH GENERATED FROM OPERATIONS	6,597.00	13,497.15
	Taxes (Paid)/ Refunds	(2.68)	317.93
	NET CASH GENERATED FROM OPERATING ACTIVITIES	6,594.32	13,815.08
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets including Intangible Assets & CWIP	(118.81)	(130.13)
	Sale/Scrap of Fixed Assets	11.69	317.82
	Sale of Investments	0.49	-
	(Investment in)/ withdrawal of Fixed Deposits	(2.10)	(106.11)
	Interest Received	18.00	132.17
	Dividend Received	18.60	30.91
	NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(72.13)	244.66
C	CASH FLOW FROM FINANCING ACTIVITIES :		
	Long Term Borrowings including Current Maturities Raised	3,650.00	-
	Long Term Borrowings including Current Maturities Repaid	(205.63)	(2,923.81)
	Allotment of Equity Shares including Share Premium	-	306.50
	Repayment of Redeemable Preference Shares	-	(66.00)
	Repayment of Short Term Borrowings	(5,854.38)	(6,334.38)
	Dividends Paid	(0.57)	(0.94)
	Interest Paid	(3,707.36)	(5,775.27)
	NET CASH USED IN FINANCING ACTIVITIES	(6,117.94)	(14,793.90)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	404.25	(734.16)
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	208.45	942.61
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	612.70	208.45
	COMPONENT CASH AND CASH EQUIVALENTS		
	Cash on Hand	0.67	9.33
	With Bank on Current Account	607.46	193.98
	Unclaimed Dividend Account	4.57	5.14
	TOTAL CASH AND CASH EQUIVALENTS	612.70	208.45

Note : Figures in brackets are outflows.

Significant Accounting policies

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

For and on behalf of the Board of Directors

Atul Gala

Partner

Membership No. 048650

H R KILACHAND

Chairman & Managing Director

DIN:00294835

P N DUBEY

Director

DIN:02132564

Place: Mumbai

Date: 25th May, 2016

ROHIT BALU

Chief Financial Officer

D J SHAH

Director & Company Secretary

Annual Report 2015-2016 (15 Months)

STATEMENT SHOWING PRODUCTION AND YIELD IN SUGAR

SEASON	"DURATION DAYS"	CANE CRUSHED M. TONS	SUGAR PRODUCED M. TONS	RECOVERY % OF CANE CRUSHED
2000-2001	143	644,521.60	64,298.00	9.89
2001-2002	184	834,412.60	81,970.40	9.82
2002-2003	189	938,038.60	93,863.00	10.00
2003-2004	150	808,601.17	79,866.50	9.88
2004-2005	158	852,942.80	84,010.00	9.90
2005-2006	155	838,468.80	79,114.00	9.43
2006-2007	194	1,148,799.60	114,843.00	10.00
2007-2008	163	977,982.72	104,201.00	10.67
2008-2009	111	561,509.25	52,364.00	9.35
2009-2010	119	693,771.98	65,170.00	9.38
2010-2011	116	738,041.20	71,811.00	9.68
2011-2012	148	931,902.00	88,761.00	9.48
2012-2013	136	858,008.00	78,105.00	9.14
2013-2014	98	588,836.00	51,632.60	8.77
2014-2015 (upto December 2014)	30	187,040.00	17,960.40	9.60
2014-2015 (Jan 2015 to Mar 2015)	77	430,691.00	42,197.00	9.80
2015-2016	89	444,713.62	45,725.00	10.28

STATEMENT SHOWING PRODUCTION AND YIELD IN DISTILLERY

Year	Production (Litres)	Yield per Quintal of Molasses (Litres)
2000-01	12,835,127	21.40
2001-02	12,280,300	21.00
2002-03	12,954,000	21.16
2003-04	11,552,050	24.12
2004-05	11,274,630	22.58
2005-06	14,765,450	22.98
2006-07	16,412,783	23.22
2007-08	16,274,637	22.70
2008-09	11,414,558	22.99
2009-10	7,458,803	23.12
2010-11	13,141,901	23.00
2011-12	11,223,029	22.60
2012-13	8,506,467	22.41
2013-14	11,575,401	22.76
2014-15 (upto December 2014)	1,238,192	22.24
2014-15 (Jan 15 to Mar 15)	238,074	23.55
2015-16	736,798	22.49

FINANCIAL STATISTICS FROM 2005-2006 TO 2015-2016

(₹ In Lac)

Period/ Year end position	2015-2016 (15 Months)	2013-2014 (18 Months)	2012-2013	2011-2012	2010-2011	2009-2010 \$	2008-2009	2007-2008	2006-2007	2005-2006
Period	1.1.15-31.3.16	1.7.13-31.12.14	1.7.12-30.6.13	1.7.11-30.6.12	1.7.10-30.6.11	1.7.09-30.6.10	1.7.08-30.6.09	1.7.07-30.6.08	1.7.06-30.6.07	1.7.05-30.6.06
Share Capital	1,007.97	999.92	862.02	679.02	679.02	679.02	746.92	746.99	746.99	794.95
Reserves and Surplus	* 4,084.82	9,392.57	*22,176.28	* 23,733.70	2,518.53	2,230.11	3,517.44	2,848.42	2,504.27	3,864.07
Deferred Tax Liability/ Assets	-	(378.84)	(378.84)	(378.84)	24.84	345.83	650.79	634.95	897.26	752.27
Borrowings	31,422.45	33,832.45	43,090.64	34,956.36	20,824.08	25,135.42	16,420.60	17,097.70	11,881.89	9,581.43
Working Capital	9,039.88	(1,278.73)	17,132.52	11,276.43	14,819.70	21,886.08	11,935.84	13,084.11	8,483.45	8,242.78
Capital Employed	55,229.54	58,283.08	80,206.81	72,539.62	24,246.47	28,590.38	21,535.75	21,528.06	16,230.41	15,192.72
Gross Block	* 58,763.41	58,652.13	*59,336.79	* 37,767.26	15,183.32	15,280.52	19,546.13	16,714.42	15,557.89	14,552.40
Net Block	* 42,586.13	44,997.85	48,551.27	* 28,857.03	5,795.90	6,036.20	9,102.09	6,997.99	6,496.57	6,078.81
Investments	54.46	54.95	54.95	54.95	52.70	52.44	52.49	7.00	2.00	455.60
Equity Shares										
Book Value (₹)	* 50.53	104.10	* 267.26	* 359.53	47.09	42.84	62.80	52.94	46.69	73.16
Face Value (₹)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
For the Year										
Sales including Excise Duty	37,734.84	74,954.17	47,254.60	46,303.48	49,620.98	26,638.70	29,505.78	29,161.56	27,951.98	27,955.41
Depreciation	2,582.51	2,354.74	1,461.63	558.29	583.10	579.79	738.79	661.19	607.76	537.97
Profit before Tax	(4,905.21)	(12,001.95)	(1,668.20)	(937.97)	42.73	224.59	1,089.84	156.53	(1,656.06)	1,824.69
Profit After Tax	(5,322.22)	(12,001.95)	(1,668.20)	(1,993.50)	361.74	239.30	904.39	381.36	(1,847.71)	1,111.00
Equity Dividend %	-	-	-	-	10.00	10.00	30.00	5.00	-	25.00
Equity Dividend total amount	-	-	-	-	67.90	67.90	203.70	33.95	-	158.48

\$ Excluding Storage Division figure due to Demerger of Storage Division into Kesar Terminals and Infrastructure Limited w.e.f. 1-1-2009.

* Including Revaluation Reserve.



KESAR ENTERPRISES LIMITED

CIN: L24116MH1933PLC001996

Registered Office : Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai – 400 020
 E-mail: headoffice@kesarindia.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]

81st ANNUAL GENERAL MEETING on 11th August, 2016

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

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

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

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

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

as my /our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **81st Annual General Meeting** of the Company, to be held on **Thursday, 11th August, 2016 at 11:00 a.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 audited Financial Statement, Reports of the Board of Directors and Auditors
2. Reappointment of Shri D J shah
3. Appointment of Statutory Auditors and fixing their remuneration
4. Appointment of Shri M A Kuvadia as Director
5. Appointment/ Remuneration of M/s. R M Bansal & Co. as Cost Auditor
6. Reappointment of Shri H R Kilachand as Chairman & Managing Director

Signed this _____ day of _____, 2016

* Applicable for investors holding shares in electronic form.

Signature of Shareholder

Signature of Proxy holder(s)

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.



CIN: L24116MH1933PLC001996

Registered Office : Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai – 400 020
E-mail: headoffice@kesarindia.com, Tel: 022-22851737, Fax: 022-22876162

ATTENDANCE SLIP

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

I hereby record my presence at the 81st Annual General Meeting of the Company, to be held on Thursday, 11th August, 2016 at 11:00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001

Client ID *		DP ID No. *	
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Folio No.		No. of Shares	
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ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	160712006
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Note:

- (1) Please read the instructions printed in Note No. (I) to the Notice of 81st Annual General Meeting dated August, 11, 2016.
- (2) The Voting period starts from 00:01 hrs. on Monday, August 8, 2016 and ends at 23.55 hrs on Wednesday, August 10, 2016.
- (3) The voting module shall be disabled by CDSL for voting thereafter.

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 ENTERPRISES LIMITED

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