



**Annual Report  
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**KESAR TERMINALS & INFRASTRUCTURE LIMITED**

# **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

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# **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

(Incorporated under the Companies Act, 1956)

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

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

### **COMPANY SECRETARY**

BHAUTESH SHAH

### **BANKERS**

Allahabad Bank  
Yes Bank

### **AUDITORS**

M/s. Haribhakti & Co., Chartered Accountants

### **TERMINALS**

Kandla (Gujarat)

### **REGISTERED OFFICE**

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

### **REGISTRAR & TRANSFER AGENTS**

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

### **AUDIT COMMITTEE MEMBERS**

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

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## NOTICE

**NOTICE** is hereby given that the 4th Annual General Meeting of the Members of **KESAR TERMINALS & INFRASTRUCTURE LIMITED** will be held on **Friday, 14th September, 2012** at **3:30 p.m.** at **M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001** to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri J. N. Godbole, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri R. S. Loona, who retires by rotation and being eligible offers himself for reappointment.
5. To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an **Ordinary Resolution**:

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

## SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including, any statutory amendment, modification or re-enactment thereof and other requisite approvals as may be necessary, and subject to the approval of the Members of the Company, approval be and is hereby granted for reappointment of Shri J. K. Devgupta as Whole-time Director designated as Executive Director of the Company with substantial powers of the management for a period of 2 years from 11.5.2012 to 10.5.2014, on a remuneration and on the terms and conditions as per Schedule XIII of the Act, and as specifically set out below:

**I. Salary :** ₹ 2,10,000/- per month (in the slab of ₹ 2,10,000 - 10,000 - 2,30,000).

## **II. Perquisites:**

1. Housing: He would be entitled to House Rent Allowance @ 60% of the Salary.
2. Reimbursement of medical expenses incurred for him and his family including premium for medical insurance as per rules of the Company.
3. Leave Travel Concession for him and his family once in a year incurred in accordance with the Rules of the Company.
4. Club fees, which will not include admission / life membership fees.
5. Premium for personal accident insurance as per rules of the Company.
6. Free use of Company's car with driver and telephone at residence for the business of the Company. Charges for personal long distance calls on telephone and use of car for private purpose would be borne by him.

## KESAR TERMINALS & INFRASTRUCTURE LIMITED

The annual value of the above perquisites would be restricted to an amount equal to the annual salary payable to him. For the purpose of calculating the above ceiling, perquisites would be evaluated as per Income-tax Rules, wherever applicable. In the absence of any applicable rules, perquisites would be evaluated at actual cost. Provision of use of Company Car for official duties and telephone at residence (including payment of local calls and long distance official calls) would not be included in the computation of perquisites for the purpose of calculating the said ceiling.

7. He would be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.
8. No sitting fees would be paid for attending the Board / Committee Meetings.
9. He would be eligible to the following, which would not be included in the ceiling.
  - i. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent, not taxable under the Income Tax Act.
  - ii. Gratuity at a rate not exceeding 1/2 month's salary for each completed year of service.
  - iii. Encashment of accumulated leave at the end of the tenure.

**"RESOLVED FURTHER THAT** Shri J. K. Devgupta would not be regarded as a Director liable to retire by rotation."

**"RESOLVED FURTHER THAT** the aforesaid remuneration would nevertheless be paid and allowed to Shri J K Devgupta as Executive Director as the minimum remuneration, within the overall ceiling limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto from time to time, notwithstanding that in any financial year of the Company during the tenure of office of Shri J. K. Devgupta, the Company might have made no profits or its profits might be inadequate."

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

**"RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or reenactment thereof) and the provisions of Foreign Exchange Management Act (FEMA), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended, Securities and Exchange Board of India (SEBI) Regulations and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (GOI), Reserve Bank of India (RBI), SEBI and any other competent or concerned authority and the provisions of Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with the Stock Exchanges on which the Company's shares are listed and subject to necessary approvals, permissions, consent and sanctions of the concerned statutory and other authority(ies) and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consent and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board"), which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution, the Board be and is hereby authorised on behalf of the Company with powers to delegate such authority to such person or persons as the Board may deem fit, to offer, issue and allot either in India or in the course of international offering(s), in one or more foreign markets, such number of Equity Shares, Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), Qualified Institutional Placements (QIPs), Equity Shares (through Depository Receipt Mechanism), any other Financial Instruments convertible into Equity Shares or otherwise, in the registered or bearer form, any security convertible in or linked to Equity Shares and / or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (hereinafter collectively referred to as "Securities") or any one or combination of such Securities, in one or more tranches, whether rupee denominated or denominated in foreign currency, to foreign / resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Foreign Institutional Investors, Indian / Multilateral Financial Institutions, Mutual Funds, Banks, Insurance Companies, Pension Funds, Qualified Institutional Buyers (QIB's) Non-Resident Indians

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and / or any other eligible investors, whether they be holders of shares of the Company or not (collectively called the "Investors") through Public Issue, Rights Issue, Preferential Issue, Private Placement or a combination thereof through prospectus, offer document, offer letter, offer circular or otherwise, at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with Lead Managers, **upto an amount not exceeding ₹ 25 crore (approximately) or equivalent foreign currency inclusive of such premium** as the Board at its absolute discretion may deem fit and appropriate."

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

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

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

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

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

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

## Registered Office:

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

## By Order of the Board of Directors

Bhautesh Shah  
Company Secretary

## KESAR TERMINALS & INFRASTRUCTURE LIMITED

10th August, 2012

Notes:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- b) The register of members and share transfer books of the Company shall remain closed from Friday, 7.9.2012 to Friday, 14.9.2012 (both days inclusive) for the purpose of payment of dividend. The Shareholders are requested to inform of change in address, if any, at the earliest.
- c) The Members may lodge their shares for transfer / transmission with the office of M/s. SHAREX DYNAMIC (INDIA) PVT. LTD., the Registrar and Share Transfer Agents at Unit No.1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai 400072 or with the Company.
- d) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 11:00 a.m. and 1:00 p.m. upto the date of the ensuing Meeting.
- e) Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
- f) Members / Proxies should fill the Attendance Slip for attending the Meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the Meeting.
- g) **The members of the Company are requested to provide their email address for serving by electronic mode the notice/documents as a part of the Green Initiative in Corporate Governance introduced by the Ministry of Corporate Affairs vide Circular No. 17/2011 & 18/2011 dated 21.4.2011 and 29.4.2011 respectively. The said information/request can be sent by members to M/s. SHAREX DYNAMIC (INDIA) PVT. LTD., the Registrar and Share Transfer Agents email id at [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com) or at the Company's email id at [bhauteshshah@kesarindia.com](mailto:bhauteshshah@kesarindia.com) (Please refer Page 50 & 51).**
- h) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
- i) As per Clause 49(IV)(G) of the Listing Agreement, the information in detail about Shri J. N. Godbole and Shri R. S. Loona, the retiring Directors at the ensuing Annual General Meeting, is given in para 2 of the Corporate Governance Report.

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## ANNEXURE TO THE NOTICE

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

#### **Item No. 6:**

Shri J. K. Devgupta was appointed as the Whole-time Director designated as Executive Director for a period of 2 years commencing from 11.5.2010. In accordance with the term of his appointment, his term of office expired on the closing hours of 10.5.2012. Considering the ongoing projects of the Company and his vast experience, the Board of Directors at their meeting held on 17.4.2012 reappointed Shri J. K. Devgupta as Whole-time Director designated as Executive Director with substantial powers of the Management for a period of 2 years from 11.5.2012 to 10.5.2014. The said reappointment along with the remuneration payable to Shri J. K. Devgupta was recommended by the Remuneration Committee consisting of Non Executive Independent Directors at its meeting held on 17.4.2012.

The Board recommends the reappointment of Shri J. K. Devgupta as Executive Director as mentioned in the Special Resolution, for a period of 2 years w.e.f. 11.5.2012, on remuneration as specifically mentioned in the Special Resolution at Item No.6 which is within the ceiling limits provided in Schedule XIII to the Companies Act, 1956 subject to your approval.

The abstract of the terms and Memorandum of Interest under Section 302 of the Companies Act, 1956 with respect to the reappointment of Shri J. K. Devgupta, Executive Director was sent earlier to all the Members of the Company.

Shri J. K. Devgupta shall not be regarded as a Director liable to retire by rotation.

None of the Directors of the Company except Shri J. K. Devgupta is in any way concerned or interested in the aforesaid resolution.

#### **Item No. 7:**

The proposed resolution is an enabling resolution, which relates to the proposal of the Company to offer, issue and allot either in India or in the course of an international offering in one or more foreign markets, by way of equity shares / depository receipts / foreign currency convertible bonds (FCCB) / fully convertible debentures / partly convertible debentures / qualified institutional placements (QIP's) or any other financial instruments convertible into or linked to equity shares or otherwise, or any one or combination of such securities, in one or more tranches through Public Issue(s), Rights Issue(s), Preferential Issue(s), Private Placement(s) or a combination thereof and on the terms and conditions as may be decided by the Board of Directors or any Committee thereof, at its absolute discretion, for an amount not exceeding Indian ₹ 25 crore (approximately) or equivalent foreign currency inclusive of premium payable on conversion, if any.

The objects of this issue is to enhance financial flexibility of the Company to fund the capital expenditure plans of the Company and/or to part finance expansion/modernization and/or acquisition/investments. The Company is exploring alternatives to mobilise resources from various available sources. Presently, it is proposed to raise a sum upto Indian ₹ 25 crore (approximately) or equivalent foreign currency.

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

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

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies, individuals or otherwise as the Board may at its absolute discretion deem fit. Section 81(1A) of the Companies Act, 1956



## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

provides, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81(1A) unless the shareholders in a general meeting decide otherwise.

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

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

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

**Registered Office:**

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

10th August, 2012

**By Order of the Board of Directors**

**Bhautesh Shah**  
Company Secretary

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## DIRECTORS' REPORT

To  
The Shareholders  
Kesar Terminals & Infrastructure Ltd.

Dear Members,

Your Directors present to you the 4th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2012.

### FINANCIAL RESULTS

	(₹ in Lac)	
	2011-12	2010-11
<b>Profit before interest, depreciation &amp; taxation</b>	<b>1395.16</b>	1106.90
<b>Less:</b> Interest and Finance Charges	<b>81.57</b>	96.22
Profit before Depreciation & taxation	<b>1313.59</b>	1010.68
<b>Less:</b> Depreciation	<b>278.52</b>	276.47
<b>Profit before tax</b>	<b>1035.07</b>	734.21
<b>Less: Provision for Taxation</b>		
(i) Income Tax - Current	<b>345.00</b>	249.64
(ii) Income Tax – Deferred	<b>(17.82)</b>	(7.77)
<b>Profit after tax and Profit available for appropriation</b>	<b>707.89</b>	492.34
<b>Appropriation:</b>		
<b>Less:</b>		
(i) Transfer to General Reserve	<b>71.55</b>	49.23
(ii) Interim Dividend on Equity Shares	—	78.80
(iii) Proposed Dividend on Equity Share	<b>131.33</b>	52.53
(iv) Corporate Tax on Dividends	<b>21.30</b>	21.61
<b>Profit after appropriation</b>	<b>483.71</b>	290.17
<b>Add:</b> Balance brought forward from previous year	<b>632.12</b>	341.95
<b>Balance carried forward to Balance Sheet</b>	<b>1115.83</b>	632.12

For the year 2011-2012, there is a profit after tax of ₹ 707.89 lac as against ₹ 492.34 lac in the previous year.

### DIVIDEND

The Directors are pleased to recommend a dividend of 25% i.e ₹ 2.50 per Equity Share of ₹ 10/- each on 52,53,113 Equity Shares of the Company for the year 2011-12 (previous year 25% i.e. ₹ 2.50 per Equity Share). The total dividend payout will be ₹ 131.33 lac, excluding dividend distribution tax of ₹ 21.30 lac.

### REVIEW OF OPERATIONS

During the year under review, your Company achieved a turnover of ₹ 2341.10 lac, as against ₹ 2057.95 lac in the previous year, recording a growth of 13.76%. The Company recorded an increase of 43.78% in its profit after tax which grew from ₹ 492.34 lac to ₹ 707.89 lac. The Companies healthy performance was attributed to better realisation in terminal tankage charges and improvement in the average commercial utilization charges of tanks by 4% YoY i.e. from 90% in the previous year to 94% in the current year.