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Annual Report
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KESAR TERMINALS & INFRASTRUCTURE LIMITED

KESAR TERMINALS & INFRASTRUCTURE LIMITED

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KESAR TERMINALS & INFRASTRUCTURE LIMITED

(Incorporated under the Companies Act, 1956)

COMPANY INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY

BHAUTESH SHAH

BANKERS

Yes Bank

AUDITORS

M/s. Haribhakti & Co., Chartered Accountants

TERMINALS

Kandla (Gujarat)

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENTS

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

AUDIT COMMITTEE MEMBERS

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

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NOTICE

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

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

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

SPECIAL BUSINESS:

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

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

I. **SALARY:**

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

OR

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

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II. PERQUISITES:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Registered Office:

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

21st May, 2013

By Order of the Board of Directors

Bhautesh Shah
Company Secretary

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NOTES:

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

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ANNEXURE TO THE NOTICE

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

Item No. 6:

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

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

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

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

Item No. 7:

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

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

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

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

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

Item No. 8:

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

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

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

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

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

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

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

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

Registered Office:

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

21st May, 2013

By Order of the Board of Directors

Bhautesh Shah
Company Secretary