



# 7th Annual Report 2014~15

**KESAR TERMINALS & INFRASTRUCTURE LIMITED**

**KESAR TERMINALS & INFRASTRUCTURE LIMITED**

CIN:L45203MH2008PLC178061

**CONTENTS**

Company Information.....	1
Notice .....	2
Directors' Report .....	8
Management Discussion and Analysis Report.....	29
Corporate Governance Report.....	31
Independent Auditors' Report.....	47
Balance Sheet.....	50
Statement of Profit & Loss Account.....	51
Cash Flow Statement .....	52
Notes to Financial Statements.....	54
Consolidated Financial Statement.....	73
Go Green Initiative.....	101
Request for Go Green from Shareholders.....	102

# **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

(Incorporated under the Companies Act, 1956)

CIN:L45203MH2008PLC178061

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

H R KILACHAND (Chairman)  
SMT. M H KILACHAND  
A S RUIA  
K KANNAN (upto 18.12.2014)  
J N GODBOLE  
R S LOONA  
J K DEVGUPTA (from 22.5.2014)

### **COMPANY SECRETARY**

BHAUTESH SHAH

### **BANKERS**

Yes Bank

### **AUDITORS**

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

### **TERMINALS**

Kandla (Gujarat)

### **REGISTERED OFFICE**

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

### **REGISTRAR & TRANSFER AGENTS**

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

### **AUDIT COMMITTEE MEMBERS**

A S RUIA (Chairman of the Committee)  
K KANNAN (upto 18.12.2014)  
J N GODBOLE  
R S LOONA  
H R KILACHAND

# Annual Report 2014-2015

## NOTICE

**NOTICE** is hereby given that the 7th Annual General Meeting of the Members of **KESAR TERMINALS & INFRASTRUCTURE LIMITED** will be held on **Wednesday, 23rd September, 2015 at 3:30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001** to transact the following business:

1. To receive, consider and adopt the audited Standalone and Consolidated Balance Sheet as at 31st March, 2015 and Statement of Profit & Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri J K Devgupta (DIN 00515391), who retires by rotation and being eligible offers himself for reappointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) and the Rules framed thereunder and pursuant to the recommendation of the Audit Committee, M/s. Haribhakti & Co.LLP, Chartered Accountants (Registration No.103523W), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the fourth consecutive Annual General Meeting of the Company to be held in the calendar year 2019 (subject to ratification of the appointment by Members at every AGM held after this AGM) at a remuneration to be determined 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:**

5. To consider and, if thought fit, to pass with or without modification/s, the following Resolution as a **Special Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to requisite consents, sanctions and permissions, as may be necessary, and all other provisions of applicable laws, the consent of the Members be and is hereby accorded to ratify and approve the contract or arrangement entered into/proposed to be entered into with Kesar Multimodal Logistics Limited (KMML), the Subsidiary of the Company and a related party under Section 2(76) of the Act, with respect to rendering of service for an amount upto not exceeding a sum of ₹46 crore over a period from 1st April, 2014 upto 31st March, 2016, on such terms and conditions as may be mutually agreed between the Company and KMML."

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

**Registered Office:**

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

**By Order of the Board of Directors**

**Bhautesh Shah**  
Company Secretary

**6th August, 2015**

## NOTES:

- a) A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty [50] and holding in the aggregate not more than ten percent [10%] of the total share capital of the Company carrying voting rights. A member holding more than ten percent [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.

## KESAR TERMINALS & INFRASTRUCTURE LIMITED

- b) The register of members and share transfer books of the Company shall remain closed from **Wednesday, 16.9.2015 to Wednesday, 23.9.2015 (both days inclusive)** for the purpose of payment of dividend. The Shareholders are requested to inform of change in address, if any, at the earliest.
- c) The Members may lodge their shares for transfer / transmission with the office of M/s. SHAREX DYNAMIC (INDIA) PVT. LTD., the Registrar and Share Transfer Agents at Unit No.1, Luthra Industrial Premises, Andheri- Kurla Road, Safed Pool, Andheri (East), Mumbai 400072 or with the Company.
- d) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 11:00 a.m. and 1:00 p.m. upto the date of the ensuing Meeting.
- e) Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
- f) Members / Proxies should fill the Attendance Slip for attending the Meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the Meeting.
- g) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- h) The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs, Government of India, has permitted companies to send official documents to their Members electronically as part of its green initiatives in Corporate Governance. To support the green initiative of the Ministry of Corporate Affairs, the Notice convening the AGM, Directors' Report, Management Discussion and Analysis, Corporate Governance Report, Auditors' Report, Financial Statements etc, is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. Members who have not registered their email addresses so far are requested to register their email address with their Depository Participant only, for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- i) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
- j) In compliance with the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has considered 16th September, 2015 to determine the eligibility of Members to vote by electronic means or through physical ballot at the AGM (Cut off date). The persons whose names appear on the Register of Members/List of Beneficial Owners as on the Cut off date would be entitled to vote through electronic means or through physical ballot at the AGM.
- k) Brief resume of Director proposed to be appointed / re-appointed, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board / Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are 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 7th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The Company has signed an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their vote electronically.

**Process for E-Voting**

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

- (i) The voting period begins on 20th September, 2015 at 9:00 a.m and ends on 22nd September, 2015 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical

# Annual Report 2014-2015

form or in dematerialized form, as on the cut-off date i.e. 16th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on **Shareholders**.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the **Image Verification** as displayed and Click on **Login**.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on **"SUBMIT"** tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on **"SUBMIT"**. A confirmation box

## KESAR TERMINALS & INFRASTRUCTURE LIMITED

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.

- (xvi) Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on **“Click here to print”** option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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



# Annual Report 2014-2015

## ANNEXURE TO THE NOTICE

### Explanatory Statement as required by Section 102 of the Companies Act, 2013

#### Item No. 5:

Section 188(1) of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014, provides that for entering into any contract or arrangement as mentioned under the said section, with the related party, the Company must obtain prior approval of the Board of Directors and in case the amount of related party transaction is more than the limit mentioned under the said Rules (as amended vide notification dated August 14, 2014), prior approval of the Members by way of a Special Resolution must be obtained.

Further, as per Clause 49 of the Listing Agreement, a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

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

KMLL, being Subsidiary Company, it is covered under the definition of the Related Party as defined under Section 2(76) of the Companies Act, 2013 and the transactions, as mentioned aforesaid, of section 188(1) under the category rendering of any services. The section further specifies that where aggregate amount involved in availing or rendering of any services exceeds 10% of the turnover of the Company or ₹ 50 Crores, whichever is lower, prior approval of the Members shall be sought by passing a Special Resolution.

KTIL, being the Lead member has contributed an aggregate of ₹24.50 crore approximately from 1.4.2014 to 31.5.2015 towards Equity Share Capital and Loans of the Company [₹16 crore as Equity Share Capital and ₹8.5 crore as Loans]. Further, the construction of Phase I of the Project is still under progress and timely infusion of funds shall be required. Hence, the Company proposes to infuse / provide a sum not exceeding ₹21.50 crore in tranches subject to the requirement of the Company for the year from 1.4.2015 to 31.3.2016.

Since, the above transaction / transactions during the financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company, the transaction shall be considered as material related party transaction. Clause 49 of the Listing Agreement states that all material Related Party Transactions shall require approval of the shareholders through Special Resolution.

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

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

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

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

Since the transactions required approval of the Members, the Resolution No. 5 is proposed for ratification of transactions which were already executed and also for prior approval for the proposed transactions which are



## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

expected to be executed between the Company and KMLL upto 31st March, 2016.

The Board of Directors recommend passing of the Resolution No.5 as contained in this Notice as Special Resolution.

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

**Registered Office:**

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

**By Order of the Board of Directors**

**Bhautesh Shah**  
Company Secretary

**6th August, 2015**

# Annual Report 2014-2015

## DIRECTORS' REPORT

To  
The Shareholders  
Kesar Terminals & Infrastructure Ltd.

Dear Members,

Your Directors present to you the 7th Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2015.

### STANDALONE FINANCIAL RESULTS

	(₹ in Lac)	
	2014-15	2013-14
<b>Profit before Interest, Depreciation &amp; Taxation</b>	<b>2571.94</b>	2184.16
<b>Less: Interest and Finance Charges</b>	<b>239.68</b>	194.91
Profit before Depreciation & taxation	<b>2332.26</b>	1989.25
<b>Less: Depreciation</b>	<b>227.07</b>	298.31
<b>Profit before Tax</b>	<b>2105.19</b>	1690.94
<b>Less: Provision for Taxation</b>		
(i) Income Tax - Current	<b>645.25</b>	586.27
(ii) Income Tax – Deferred	<b>9.35</b>	4.22
<b>Profit after tax and Profit available for Appropriation</b>	<b>1450.59</b>	1100.45
<b>Appropriation:</b>		
<b>Less:</b>		
(i) Transfer to General Reserve	<b>500.00</b>	300.00
(ii) Interim Dividend	--	78.80
(iii) Proposed Dividend on Equity Share	<b>183.86</b>	78.80
(iv) Corporate Tax on Dividends	<b>37.43</b>	26.78
(v) Depreciation as per New Companies Act 2013 – Net of Deferred Tax	<b>14.43</b>	---
<b>Profit after Appropriation</b>	<b>714.87</b>	616.07
<b>Add: Balance brought forward from previous year</b>	<b>1886.82</b>	1270.75
<b>Balance carried forward to Balance Sheet</b>	<b>2601.69</b>	1886.82

For the year 2014-2015, there is a profit after tax of ₹ 1450.59 lac as against ₹ 1100.45 lac in the previous year.

### DIVIDEND

The Directors are pleased to recommend a dividend of 35% i.e ₹ 3.50 per Equity Share of ₹ 10/- each on 52,53,113 Equity Shares of the Company for the year 2014-15 (previous year 30% i.e. ₹3 [ ₹1.50 Interim + ₹ 1.50 Final] per Equity Share). The total dividend payout will be ₹ 183.86 lac, excluding dividend distribution tax of ₹ 37.43 lac.

### WORKING FOR THE CURRENT YEAR

During the year under review, your Company achieved a turnover of ₹ 4226.47 lac, as against ₹3623.57 lac in the previous year, recording a growth of 16.64%. The Company recorded an increase of 31.82% in its profit after tax which grew from ₹1100.45 lac to ₹1450.59 lac. The Company's healthy performance was attributed to better realisation in terminal tankage charges and improvement in the average commercial utilization charges of tanks