



9th Annual Report 2016~17

KESAR TERMINALS & INFRASTRUCTURE LIMITED

KESAR TERMINALS & INFRASTRUCTURE LIMITED

MISSION

“To provide world class services in **warehousing and other storage facilities** for domestic and exim **Bulk liquid and dry bulk cargo** of all kinds, on a pan India basis, upholding our core principle of **Trust and Excellence.**”

CONTENTS

Company Information.....	1
Notice	2-5
Directors’ Report and Annexures	6-24
Management Discussion and Analysis Report.....	25-27
Corporate Governance Report.....	28-40
Report of the Auditors to the Members	41-45
Balance Sheet.....	46
Statement of Profit & Loss	47
Cash Flow Statement	48
Notes to Financial Statements.....	49-70
Consolidated Financial Statement.....	71-102
Proxy Form.....	103
Attendance Slip	

KESAR TERMINALS & INFRASTRUCTURE LIMITED

(Incorporated under the Companies Act, 1956)

CIN:L45203MH2008PLC178061

COMPANY INFORMATION

BOARD OF DIRECTORS

H R KILACHAND (Chairman - upto 29.4.2016)
A S RUIA (Chairman – w.e.f. 29.4.2016 - Independent Director)
SMT. M H KILACHAND (Non-Executive Director)
J N GODBOLE (Independent Director)
R S LOONA (Independent Director)
J K DEVGUPTA (Non-Executive Director)
R H KILACHAND (Executive Director w.e.f 29.4.2016 upto
31.5.2017-Non Executive Director w.e.f 1.6.2017)

CHIEF FINANCIAL OFFICER

V J DOSHI

COMPANY SECRETARY

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

BANKERS

Yes Bank

AUDITORS

Haribhakti & Co. LLP, Chartered Accountants

TERMINALS

Kandla (Gujarat)

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENTS

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

AUDIT COMMITTEE MEMBERS

A S RUIA (Chairman-Independent Director)
J N GODBOLE (Independent Director)
R S LOONA (Independent Director)
H R KILACHAND (Member upto 29.4.2016)
R H KILACHAND (Executive Director – w.e.f. 29.4.2016)

Annual Report 2016-2017

NOTICE

NOTICE is hereby given that the **9th** Annual General Meeting of the Members of **KESAR TERMINALS & INFRASTRUCTURE LIMITED** (CIN: L45203MH2008PLC178061) will be held on **12th September, 2017 at 3:30 p.m. at M C Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushuru Dubash Marg, Mumbai 400001** to transact the following business:

1. To receive, consider and adopt the audited Standalone and Consolidated Balance Sheet as at 31st March, 2017 and Statement of Profit & Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon,
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri J K Devgupta (DIN 00515391), who retires by rotation and being eligible offers himself for reappointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) and the Rules framed there under and pursuant to the recommendation of the Audit Committee, the appointment made of Haribhakti & Co. LLP, Chartered Accountants (Registration No.103523W), as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in the calendar year 2018, be and is hereby ratified on a remuneration of Rs.5,50,000/- plus service tax and to reimburse travelling and other out of pocket expenses incurred by them in performance of their duties.”

SPECIAL BUSINESS:

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

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

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

Registered Office:

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

By Order of the Board of Directors

Alok Singh
Company Secretary

30th May 2017

NOTES:

- a) A member entitled to attend and vote at the annual general meeting (the “meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

KESAR TERMINALS & INFRASTRUCTURE LIMITED

- b) The register of members and share transfer books of the Company shall remain closed from **Tuesday, 5th September, 2017** to **Tuesday, 12th September, 2017 (both days inclusive)** for the purpose of payment of dividend. The Shareholders are requested to inform of change in address, if any, at the earliest.
- c) The unclaimed dividend for the year 2009-10 will be transferred to the fund on or before 20.10.2017.
- d) The Members may Lodge their shares for transfer / transmission with the office of Sharex Dynamic (India) Pvt. Ltd., the Registrar and Share Transfer Agents at Unit No.1, Luthra Industrial Premises, Andheri- Kurla Road, Safed Pool, Andheri (East), Mumbai 400072 or with the Company.
- e) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
- f) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing Meeting.
- g) Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
- h) Members / Proxies should fill the Attendance Slip for attending the Meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the Meeting.
- i) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- j) The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs, Government of India, has permitted companies to send official documents to their Members electronically as part of its green initiatives in Corporate Governance. To support the green initiative of the Ministry of Corporate Affairs, the Notice convening the AGM, Directors' Report, Management Discussion and Analysis, Corporate Governance Report, Auditors' Report, Financial Statements etc, is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. Members who have not registered their email addresses so far are requested to register their email address with their Depository Participant only, for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Hence kindly provide them your email address for serving by electronic mode the notice/ documents as part of the Green initiative in Corporate Governance. The said information / request can be sent by members to Sharex Dynamics (India) Pvt. Ltd. the Registrar and Trasfer Agents through email id sharexindia@vsnl.com or the Company's id headoffice@kesarindia.com.
- k) In compliance with the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has considered **Tuesday, 5th September, 2017** to determine the eligibility of Members to vote by electronic means or through physical ballot at the AGM (Cut off date). The persons whose names appear on the Register of Members/List of Beneficial Owners as on the Cut off date would be entitled to vote through electronic means or through physical ballot at the AGM.
- l) Brief resume of Shri J K Devgupta, the retiring Director, is provided in the Corporate Governance Report forming part of the Annual General Meeting.
- m) **E-Voting:**

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 9th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).The Company has signed an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their vote electronically.

Process for E-Voting

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

- (i) The voting period begins on **Saturday, 9.9.2017 at 10:00 a.m** and ends on **Monday, 11.9.2017 at 5:00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **5.9.2017** may cast their vote electronically. The e-voting module shall be disabled

Annual Report 2016-2017

by CDSL for voting thereafter.

- (ii) Log on to the e-voting website **www.evotingindia.com**.
- (iii) Click on **"Shareholders."**
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the **Image Verification** as displayed and Click on **Login**.
- (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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 PAU with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	<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. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	<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 (iv).</p>

- (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 the relevant **KESAR TERMINALS & INFRASTRUCTURE LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see **"RESOLUTION DESCRIPTION"** and against the same the option **"YES/NO"** for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.
- (xiii) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
- (xv) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on **"Click here to print"** option on the Voting page.
- (xvii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on **Forgot Password** & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the

KESAR TERMINALS & INFRASTRUCTURE LIMITED

instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, URI etc.) and Custodian are required to log on to **www.evotingindia.com** 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.
- the List of accounts Linked in the Login 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.

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**

- xx) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- xxi) Ragini Chokshi & Co., Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- xxiii) The Results declared along with the Scrutinizer’s report shall be placed on the Company’s website **www.kesarinfra.com** within 2 (Two) working days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

ANNEXURE TO THE NOTICE

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

Item No. 5:

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

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

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

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

Registered Office:

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

30th May 2017

By Order of the Board of Directors

Alok Singh
Company Secretary

Annual Report 2016-2017

DIRECTORS' REPORT

To,
The Shareholders
Kesar Terminals & Infrastructure Ltd.

Dear Members,

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

STANDALONE FINANCIAL RESULTS

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

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

DIVIDEND

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

WORKING FOR THE CURRENT YEAR 2016-17

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

SUBSEQUENT FINANCIAL YEAR 2017-18

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

KESAR TERMINALS & INFRASTRUCTURE LIMITED

EXPANSION / MODERNISATION

The Company has been exploring new avenues to optimize and expand its present capacity at its Terminals at Kandla. However, as the issue of transfer/ renewal of lease of land in favour of the Company post Demerger is yet to take place, no favourable response has been coming from Kandla Port Trust [KPT] for construction of new capacities. It is expected that the issues with KPT would be sorted out by middle of the year in respect of renewal of the particular plot of land where construction of additional tanks are planned.

The Company has about 10 acres of land on long term lease basis at Kakinada port in Andhra Pradesh. The Company plans to put up both Dry Cargo Warehousing and Bulk Liquid Terminal facilities at Kakinada. Necessary statutory permissions are being renewed from various State Government bodies including a No Objection Certificate (NOC) from the District Magistrate for putting up the proposed facilities.

The Company has plans to set up a Container Freight Station [CFS], Bonded Warehouse and Bulk Liquid Terminal at Pipavav. The preliminary work at Kakinada/ Pipavav is expected to commence after Phase I of the Composite Logistics Hub Project of the Subsidiary Company, Kesar Multimodal Logistics Ltd. (KMLL) stabilizes its operations.

SUBSIDIARY COMPANY

The % shareholding of the Company along with its Nominees in the Equity Share Capital of Kesar Multimodal Logistics Ltd. (KMLL) is above 50%. Hence there is a Holding - Subsidiary relationship between the Company & KMLL. The Annual Report of the Company does not contain the individual financial statements of KMLL, but contains the audited consolidated financial statements of the Company and KMLL. The Annual Accounts of the Subsidiary Company, along with the related information, is available for inspection at the Company's registered office. Particulars of KMLL contained in Form AOC-1 forms part of the notes to the financial statements annexed herewith.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company prepared as per Accounting Standard AS-21, consolidating the Company's accounts with its Subsidiary have also been included as part of this Annual Report.

COMPOSITE LOGISTICS HUB PROJECT AT MADHYA PRADESH

KMLL has successfully completed construction of the 1st Phase of the Project. The West Central Railway, Jabalpur, Madhya Pradesh has notified the Private Freight Terminal [PFT] of KMLL served by Powarkheda (PRKD) station of Bhopal Division as a Greenfield PFT. The Private Freight Terminal of KMLL became operational on 19.04.2016. Since then, KMLL has handled 90 rakes till 31.03.2017.

The Hub covers an area of 88.3 acres, which includes development of an entire range of infrastructure including rail sidings for cargo and container movement, rail-side warehouses, Inland Container Depot (ICD), Cold Storage, food grains warehouse & development of common facilities for putting up agri-processing units. The facilities at the Hub permit transportation of food grains, soya extract, vegetables and fruits from this location to any location in India by rail within 24 hours. This location, which is situated at nearly the centre of the Indian Railway map, offers an opportunity to the manufacturers of bulk commodities, such as cement, steel, fertilizer etc. to quickly move their cargo from their manufacturing points to the Terminal for storage and onward distribution. The manufacturers of FMCG or white goods can also use the location as a desired central storage and distribution point for pan India distribution of their products once the GST becomes a reality. The facilities at the Hub also permits rail transportation of ICD containers from surrounding areas to the major ports like JNPT, Mundra & vice-versa for both, exports & imports thereby saving costly road freight, besides reducing pollution of truck movement. KMLL has been appointed as the Custodian of the import / export of goods received at ICD of KMLL by the Office of the Principal Commissioner of Customs, Central Excise & Service Tax, Bhopal (Madhya Pradesh). KMLL has obtained all permissions for Inland Container Depot [ICD] including posting of Customs Officials and Electronic Data Inter-phase (EDI) connectivity with Customs for processing of Import/ Export cargo documents. KMLL will shortly move import/ export containers by Rail/ Road to/ from the ICD. The Cold Storage is being patronized by local fruit and vegetable vendors and also traders for storing of seed potatoes, potatoes, coriander seeds, chickpeas, fruits etc.

SHARE CAPITAL

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

Annual Report 2016-2017

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

BOARD MEETINGS

During the year 8 Board Meetings and 4 Audit Committee Meetings were held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS & KEY MANAGERIAL PERSONNEL

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

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

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

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

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

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

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

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

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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