



KESAR TERMINALS & INFRASTRUCTURE LIMITED

3rd Annual General Meeting of the Members of the Company on 29.6.2011

From the Chairman's Desk

My Dear Shareholders,

It gives me immense pleasure to welcome you to the 3rd Annual General Meeting of the Company.

COMPLETION OF DEMERGER PROCESS

I am pleased to inform you that the Demerger process is completed on 1.6.2010, the Company had allotted 47,53,113 Equity Shares of Rs.10/- each aggregating to Rs.4,75,31,130/- for consideration other than cash to every member of KEL, whose name appeared in the Register of Members of KEL on the Record Date i.e. 14.5.2010, in the ratio of 10:7 i.e. for every 10 Equity Shares of Rs.10/- each held in Kesar Enterprises Ltd. [KEL]. All fractional shares were consolidated into 510 Equity shares, which were allotted in favour of the Trustee of the Company, who in turn, sold the same in the open market through BSE. The proceeds from the sale of the said 510 shares were distributed / dispatched to all the eligible shareholders in the proportion to which they were so entitled. The Company appreciates the support extended by the members for approving the Scheme of Arrangement for Demerger, its Directors and employees for the successful implementation and completion of the Demerger process.

LISTING OF SHARES

The shares of the Company were listed at both the bourses i.e Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd. (NSE) on 22.12.2010. The Company got an overwhelming response on its debut at both the bourses. The shares of the Company reached an all time high of Rs.129.40 on the BSE and Rs.127.45 on the NSE in January, 2011.

LAUNCH OF THE COMPANY'S LOGO

With the completion of the Demerger process and transfer of the Storage Undertaking / Division of KEL in to the Company, its a moment of pride for we at "**KESAR**" to introduce before you the Company's logo on behalf of the Board, which has also been formed part of the Cover Page of the 3rd Annual Report. The carving of the Company's logo is to earmark an identity in its field of operation and strengthen the roots of "**KTIL**" as a brand, the brand which today Kesar Enterprises Ltd. "**KEL**" has been enjoying for more than 7 decades. We as a "**KESAR**" family are positive that the new institution "**KTIL**" would command the same reputation in the market and reach new echelons the way the reputation the "**Kilachand Group**" has built over the years. With this, I would like you to bestow your blessings on the Company for its success story.

STATEMENT OF ACCOUNTS

The Annual Report and Accounts for the year ended 31st March, 2011 are with you.

DIVIDEND

The Company had paid an Interim Dividend of 15% i.e. Rs.1.50 per share during the year. The Directors are pleased to recommend a final dividend of 10% i.e. Re.1/- per share. Thus, the aggregate dividend for the year 2010-11 works out to 25% i.e. Rs.2.50 per share (as against the dividend of 20% i.e. Rs.2/- per share declared in the previous year). The total payout will be Rs.131.33 lac, excluding dividend distribution tax of Rs.21.61 lac.



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WORKING FOR THE CURRENT YEAR

The Company has done well during the year. The revenue generated was much higher at Rs.2052.18 lac as against Rs.1832.30 lac in the previous year, mainly on account of improvement in the average commercial utilization of tanks by 15% YoY from 75% to 90% and also partial upward revision in terminal tankage charges from customers.

SUBSEQUENT FINANCIAL YEAR 2011-2012

The revenue of the Company is expected to go up further in the current financial year due to expected increase in demand for tankage. The Company has also plans for putting up additional tanks in Terminal No. I subject to receipt of statutory clearances for which applications have already been submitted to the concerned authorities.

EXPANSION / MODERNISATION

The Company has plans to put up both dry cargo and bulk liquid cargo handling facilities at Kakinada Port in Andhra Pradesh. Initial site development work has already commenced.

The Company also has plans to put up a Bulk Liquid Storage Terminal and a Container Freight Station [CFS] at Pipavav Port in Gujarat subject to receipt of statutory clearances for which applications have already been submitted to the concerned authorities.

As informed earlier, the Company is exploring opportunities for putting up Bulk Liquid Storage Terminals at other ports and also examining putting up other Inland based facilities such as Container Freight Station, Inland Container Depots and Multi Modal Hubs at different locations in the country.

DIRECTORS

Shri A. S. Ruia, Director and Shri K. Kannan, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Shri H. R. Kilachand has been appointed as Whole-time Director designated as Executive Chairman of the Company with substantial powers of management, for a period of 3 years with effect from 14.9.2010 on a remuneration as approved by the Shareholders at the last Annual General Meeting.

Shri H. R. Kilachand is also appointed as Chairman & Managing Director of Kesar Enterprises Ltd., the erstwhile holding Company, for a period of 3 years with effect from 14.8.2010 at the Annual General Meeting held on 23.12.2010. However, the total remuneration drawn and retained by Shri H. R. Kilachand from both the Companies shall not exceed the higher maximum limit admissible.

EMPLOYEES

I would also like to place on record the devotion and hard work of the officers, staff and workers of the Company during the year under report.

ACKNOWLEDGEMENT:

We are thankful to the Financial Institutions and the Banks for their financial assistance and support extended to the Company and also the Gujarat Government for their co-operation.

Thanking you.

H. R. KILACHAND