



11th Annual Report  
2018-19

**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.**”

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# **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

(Incorporated under the Companies Act, 1956)

CIN: L45203MH2008PLC178061

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

#### **EXECUTIVE CHAIRMAN**

SHRI H R KILACHAND

#### **INDEPENDENT DIRECTORS**

SHRI A S RUIA

SHRI J N GODBOLE

SHRI R S LOONA

MRS NILIMA MANSUKHANI (w.e.f. 21.05.2018)

#### **NON-EXECUTIVE DIRECTOR**

SHRI J K DEVGUPTA

### **CHIEF FINANCIAL OFFICER**

SHRI V J DOSHI

### **CHIEF EXECUTIVE OFFICER**

SHRI NAVLESH KUMAR (w.e.f. 21.05.2018)

### **COMPANY SECRETARY**

MRS SARIKA SINGH (w.e.f. 13.08.2018)

### **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 AGENT**

M/S. SHAREX DYANAMIC (INDIA) PVT. LTD  
C-101, 247 PARK, LBS  
MARG, VIKHROLI WEST, MUMBAI-400083.

### **AUDIT COMMITTEE MEMBERS**

A S RUIA (CHAIRMAN-INDEPENDENT DIRECTOR)

J N GODBOLE (MEMBER - INDEPENDENT DIRECTOR)

R S LOONA (MEMBER - INDEPENDENT DIRECTOR)

H R KILACHAND (MEMBER -EXECUTIVE CHAIRMAN)

NILIMA MANSUKHANI (MEMBER-INDEPENDENT DIRECTOR)

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## NOTICE

NOTICE is hereby given that the 11<sup>th</sup> Annual General Meeting of the Members of **KESAR TERMINALS & INFRASTRUCTURE LIMITED** (CIN:L45203MH2008PLC178061) will be held on **Thursday 19<sup>th</sup> September, 2019, at 3:30 p.m. at M C Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20 Kaikhushuru Dubash Marg, Mumbai 400001** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Standalone and Consolidated Balance Sheet as at 31st March, 2019 and Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of 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 appoint M/s. Chandabhoy & Jassoobhoy, Chartered Accountants as Statutory Auditors of the Company and Fixation of Remuneration.

To consider and if thought fit, to pass with or without modification, 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 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and other applicable provisions, if any, M/s. Chandabhoy & Jassoobhoy, Chartered Accountants (Firm Registration no. 101647W) from whom certificate pursuant to section 139(1) of the Companies Act has been received, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this 11<sup>th</sup> Annual General Meeting till the conclusion of the 16<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024, to examine and audit the accounts of the Company, on such terms and remuneration as may be mutually agreed between the Audit Committee/Board of Directors and the Auditors”.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including the Audit Committee) be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution and / or otherwise considered by them to be in the best interest of the Company.”

### SPECIAL BUSINESS:

#### 5. Re-appointment of Shri A S Ruia as Independent Director.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) and the Rules made there under read with Schedule IV to the Act, Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby granted to re-appoint Shri A S Ruia (DIN: 00296622), who is above the age of seventy five (75) years as Independent Director of the Company, not liable to retire by rotation, for a further term not exceeding five (5) consecutive years from the conclusion of the 11<sup>th</sup> Annual General meeting till the conclusion of the 16<sup>th</sup> Annual General Meeting in the Financial Year 2024.

**“RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and is hereby severally authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

#### 6. Re-appointment of Shri J N Godbole as Independent Director.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) and the Rules made there under read with Schedule IV to the Act, Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory modification(s) and/or re-enactment(s)

## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, approval of the Members of the Company be and is hereby granted to re-appoint **Shri J N Godbole** (DIN: 00056830) aged 74 years, as Independent Director of the Company, not liable to retire by rotation, for a further term not exceeding five (5) consecutive years from the conclusion of the 11<sup>th</sup> Annual General Meeting till the conclusion of the 16<sup>th</sup> Annual General Meeting in the Financial Year 2024.

**“RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions of the Companies Act, 2013, consent of members of the Company be and is hereby accorded to Shri J N Godbole (DIN: 00056830) to continue to hold office of Independent Director under this tenure which will end on conclusion of the 16<sup>th</sup> Annual General Meeting of the Company, notwithstanding that he will attain the age of 75 years on February 17, 2020.”

**“RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and is hereby severally authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

### **7. Re-appointment of Shri R S Loona as Independent Director.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) and the Rules made there under read with Schedule IV to the Act, applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, approval of the Members of the Company be and is hereby granted to re-appoint Shri R S Loona (DIN: 02305074), as Independent Director of the Company, not liable to retire by rotation, for a further term not exceeding five (5) consecutive years from the conclusion of the 11<sup>th</sup> Annual General meeting till the conclusion of the 16<sup>th</sup> Annual General Meeting in the Financial Year 2024.

**“RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and is hereby severally authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

### **8. Re-appointment of Shri J K Devgupta as Non Executive Non Independent Director.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications or re-enactment(s) thereof and any rules made there under, for the time being in force and on the basis of recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, **Shri J K Devgupta** (DIN: 00515391) aged 73 years who was appointed as Non Executive Director of the Company with effect from April 14.07.2014, till the conclusion of the 11<sup>th</sup> AGM, be and is hereby re-appointed as a Non-Executive Non Independent Director of the Company whose office is liable to retire by rotation.

**“RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions of the Companies Act, 2013, consent of members of the Company be and is hereby accorded to **Shri J K Devgupta** (DIN: 00515391) to continue as Non Executive Non Independent Director notwithstanding that he will attain the age of 75 years on May 22, 2021.

**“RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and is hereby severally authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

By Order of the Board of Directors

**Registered Office:**  
Oriental House, 7,  
Jamshedji Tata Road,  
Churchgate  
Mumbai-400020

**Place: Mumbai**  
**Date: 13.08.2019**

**Sarika Singh**  
**Company Secretary**  
**ACS:24186**

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## 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.

- b) The register of members and share transfer books of the Company shall remain closed from **Thursday, 12<sup>th</sup> September, 2019 to Thursday, 19<sup>th</sup> September, 2019 (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 final dividend for the year 2011-12 will be transferred to the Investor Education & Protection Fund on or before 21.10.2019.
- d) 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.
- e) 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.
- f) 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.
- i) 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.
- j) 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.
- k) 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 Transfer Agents through email id: sharexindia@vsnl.com or the company’s email id: headoffice@kesarindia.com.

## 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 11<sup>th</sup> 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.

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## Process for E-Voting

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

- (i) The voting period will begin on **Monday, 16<sup>th</sup> September, 2019** at 9:00 am and end on **Wednesday, 18<sup>th</sup> September, 2019** at 5:00 pm. 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. **Thursday, 12<sup>th</sup> September, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "**Shareholders**".
- (iv) 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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"><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></ul>
	<ul style="list-style-type: none"><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</b>	Details OR Date of Birth (DOB) 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. 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).

- (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 - 190809004** for Kesar Terminals & Infrastructure Ltd. 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.

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- (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 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](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 Linked in the Login 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.
- xx) 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) or call on 18002 25533.
- xxi) 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.
- xxii) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- xxiii) 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 / Company Secretary of the Company.
- xxiv) The Results declared along with the Scrutinizer’s report shall be placed on the Company’s website [www.kesarinfra.com](http://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.



# **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **("The Act") AND SS 2:**

#### **Item No. 4**

M/s. Haribhakti & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company, for a period of 5 years from the conclusion of 7<sup>th</sup> AGM till the conclusion of 11<sup>th</sup> AGM pursuant to the provisions of Section 139(1) of the Act read with the Companies (Audit and Auditors) Rules, 2014.

The term of M/s. Haribhakti & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company will expire at the ensuing 11<sup>th</sup> AGM to be held on 19<sup>th</sup> September, 2019. Further, in terms of the provisions of the Act, since they have completed tenure of 10 years including their previous tenure as auditors of the Company, they are not eligible for re-appointment as Statutory Auditors of the Company.

Accordingly, the Board of Directors at its meeting held dated 13<sup>th</sup> August, 2019 on the recommendation made by the Audit Committee, have approved and recommended appointment of M/s. Chandabhoy & Jassoobhoy, Chartered Accountants, as Statutory Auditors of the Company for a term of 5 (five) consecutive years to the members of the Company. The term of appointment of Statutory Auditors is from the conclusion of 11<sup>th</sup> Annual General Meeting till the conclusion of 16<sup>th</sup> Annual General Meeting of the Company.

In accordance with Section 139 of the Act, M/s. Chandabhoy & Jassoobhoy, Chartered Accountants, have confirmed that they are eligible to be appointed as the Statutory Auditors of the Company and they satisfy the criteria as provided in Section 141 of the Act.

Pursuant to regulation 36(5) of the SEBI Listing Regulations, the following disclosures are required for M/s. Chandabhoy & Jassoobhoy, Chartered Accountants, who are proposed to be appointed as Statutory Auditors of the Company:

- a) Proposed Fees payable to Statutory Auditors- ₹ 5.4 Lakhs per annum proposed for M/s. Chandabhoy & Jassoobhoy subject to as agreed upon between the Audit Committee/Board of Directors and the Auditors.
- b) Terms of appointment – The appointment of M/s. Chandabhoy & Jassoobhoy is for a term of 5 consecutive years subject to the approval of the members at the ensuing AGM. Proposed fees is payable for audit of both standalone and consolidated financial statements.
- c) Any material change in the fee payable to such new auditor from that paid to the outgoing auditor – The change in the audit fees is not a material change in terms of increase in audit fees.
- d) Basis of recommendation for appointment of Statutory Auditors – The criteria of selection of M/s. Chandabhoy & Jassoobhoy was based on experience of the firm in Audit areas.
- e) Credentials of Statutory Auditors proposed to be appointed –The Firm was founded in 1908 and has been in continuous existence since then. The registered office of the firm is at 208 - A, Phoenix House, 2<sup>nd</sup> floor, 462 Senapati Bapat Marg Lower Parel Mumbai - 400013. They also have Associates firms in New Delhi, Jaipur, Kolkata, Bhopal, Surat, Baroda and Ahmedabad.

The Board of Directors recommends the resolution stated in the item no. 4 for the approval of the members of the Company by way of an Ordinary Resolution.

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

#### **Item No. 5, 6 & 7:**

The Members of the Company had appointed Shri A S Ruia, Shri J N Godbole and Shri R S Loona, as Independent Directors of the Company for a term of five (5) consecutive years commencing from the conclusion of the Annual General Meeting held in the calendar year 2014 till the conclusion of the Annual general meeting to be held in the calendar year 2019.

Pursuant to Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five (5) consecutive years on the board of a company, but shall be eligible for re-appointment for a further term of up to five (5) consecutive years on passing of a special resolution by the company.

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The Nomination and Remuneration Committee (the NRC) of the Board of the Company, at its meeting held on 16<sup>th</sup> May, 2019, had unanimously recommended to the Board, the re-appointment of Shri A S Ruia, Shri J N Godbole and Shri R S Loona as Independent Director for a further term not exceeding five (5) consecutive years i.e till the conclusion of the 16<sup>th</sup> Annual General Meeting of the Company in the calendar year 2024 subject to the approval of the shareholders at this Annual General Meeting by way of a Special Resolution.

The NRC, while recommending the re-appointment of Shri A S Ruia, Shri J N Godbole and Shri R S Loona, had considered various factors, viz., the number of Board, Committee and General Meetings attended by them, knowledge & experience; their specific skills helping the Board and the Company in attaining its objectives; their participation in the Board/Committee deliberations; summary of their performance evaluation; time devoted by them; specialised skills and expertise and their independent judgment in the opinion of the entire Board.

Shri A S Ruia, Shri J N Godbole and Shri R S Loona, have given their consent to be re-appointed as such and also the confirmation that they are not disqualified to act as Director in terms of Section 164 of the Act. Besides, they have also provided a confirmation that they meet the criteria of independence as prescribed, both, under Section 149(6) of the Act read with relevant Rules and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018 ("Listing Regulations").

The Company has received notice in writing under the provisions of Section 160 of the Act from a Member proposing the candidature of Shri A S Ruia, Shri J N Godbole and Shri R S Loona, for re-appointment as Independent Directors of the Company.

In the opinion of the Board, Shri A S Ruia, Shri J N Godbole and Shri R S Loona, fulfil the conditions specified in Sections 149, 152 and other applicable provisions of the Act and the Rules made there under read with Schedule IV to the Act and Regulation 25 of the Listing Regulations. Members may also note that Shri A S Ruia, Shri J N Godbole and Shri R S Loona are independent of the management.

The profile of Shri A S Ruia, Shri J N Godbole and Shri R S Loona for their re-appointment as Independent Directors are mentioned in the table annexed to the Notice.

Except Shri A S Ruia, Shri J N Godbole and Shri R S Loona being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 5, 6 & 7.

## Item No. 8:

The Members of the Company, at its meeting held on 4<sup>th</sup> July, 2014, approved the appointment of Shri J K Devgupta as Non Executive Non Independent Director for the term of 5 years i.e till the conclusion of 11<sup>th</sup> Annual General Meeting in the calendar year 2019. The Board on the recommendation of the Nomination & remuneration Committee recommended the reappointment of Shri J K Devgupta as Non Executive Non Independent Director. The details of Shri J K Devgupta as Non Executive Non Independent Director, as required to be given pursuant to the Listing Regulations and the Secretarial Standards, are attached to the Notice. The Board of Directors recommend the Special Resolution as detailed in Item No. 8 of the Notice for the approval of the shareholders.

Except Shri J K Devgupta being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolutions set out at Item No. 8

## DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT ITEM NO 3, 5, 6, 7 & 8:

(As required to be furnished under Regulations 36(3) of SEBI (LODR) Regulations 2015)

Name of the Director	Shri A S Ruia	Shri J N Godbole	Shri R S Loona	Shri J K Devgupta
DIN	00296622	00056830	02305074	00515391
Date of Birth	17-12-1943	17-02-1945	21-09-1951	22-05-1946
Age	75 Years	74 Years	67 Years	73 Years
Date of First Appointment on the Board	He is director since incorporation of the Company i.e. 18.03.2008	29-01-2010	01-06-2010	11-05-2010

## KESAR TERMINALS & INFRASTRUCTURE LIMITED

Name of the Director	Shri A S Ruia	Shri J N Godbole	Shri R S Loona	Shri J K Devgupta
<b>Date of last appointment</b>	On 04.07.2014 appointed as independent Director for the first term of Five years in accordance with applicable provisions of the Companies Act, 2013.	On 04.07.2014 appointed as independent Director for the first term of Five years in accordance with applicable provisions of the Companies Act, 2013.	On 04.07.2014 appointed as independent Director for the first term of Five years in accordance with applicable provisions of the Companies Act, 2013.	On 04.07.2014 appointed as Non Executive Director.
<b>Qualification</b>	Sr. Cambridge	Chemical Engineer from IIT Powai	A Science graduate & Bachelors in Law	B Tech from IIT Kharagpur
<b>Expertise in Functional Area</b>	Shri A S Ruia was on the Board as Director since incorporation. He is an Industrialist and is highly respected for his knowledge and experience in sugar & distiller industries.	Retired as Chairman & Managing Director of IDBI Ltd	Securities market, banking and finance, infrastructure projects, real estate and regulatory advice.	He has over 4 decades of varied Industrial experience involving marketing, technical services, manufacturing, supply & distribution, import & export and shipping including the Company. He was associated with Companies like International Tractor Company of India [now Mahindra Tractors], Indian Oil Corporation, Chemical Terminal Trombay Ltd a subsidiary of Tata power Limited etc.
<b>Number of Shares held in the Company</b>	1456 Shares	NIL	NIL	291 Shares
<b>Directorship held in Other Listed Companies.</b>	Kesar Enterprises Ltd.	<ol style="list-style-type: none"> <li>1. J. K. Cement Limited.</li> <li>2. Emami Paper Mills Limited</li> <li>3. Saurashtra Cement Limited</li> <li>4. Zuari Agro Chemicals Limited</li> <li>5. Zuari Global Limited</li> </ol>	NIL	NIL

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Name of the Director	Shri A S Ruia	Shri J N Godbole	Shri R S Loona	Shri J K Devgupta
<b>Chairmanship/ Membership of the Committees of other listed Companies (Only Audit &amp; Stakeholder relationship Committee are considered)</b>	Audit Committee: Kesar Enterprises Ltd.- Chairman Stakeholders relationship Committee Kesar Enterprises Ltd.- Member	Audit Committee Member 1. Zuari Agro Chemical Ltd. 2. Zuari Global Ltd. Audit Committee Chairman 3. Emami paper Mill Limited Stakeholders Relationship Committee Chairman 1. Zuari Agro Chemical Ltd. 2. Zuari Global Ltd	NIL	NIL
<b>Relationship with other directors / KMP</b>	Shri A S Ruia is not related to any Director or Key Managerial Personnel of the Company.	Shri J N Godbole is not related to any Director or Key Managerial Personnel of the Company.	Shri R S Loona is not related to any Director or Key Managerial Personnel of the Company.	Shri J K Devgupta is not related to any Director or Key Managerial Personnel of the Company.
<b>No. of Board Meetings attended during the year</b>	6/6	6/6	6/6	6/6
<b>Remuneration details (paid in 2018-19)</b>	Sitting Fees ₹ 3,00,000	Sitting Fees: ₹ 3,20,000	Sitting Fees: ₹ 3,20,000	Sitting Fees: ₹ 1,20,000
<b>Terms and conditions for Appointment/ re-appointment</b>	As per the Draft Appointment Letter	As per the draft letter of appointment.	As per the draft letter of appointment.	As per special resolution

By Order of the Board of Directors

**Registered Office:**  
Oriental House, 7,  
Jamshedji Tata Road,  
Churchgate  
Mumbai-400020  
**Place: Mumbai**  
**Date: 13.08.2019**

**Sarika Singh**  
**Company Secretary**  
**ACS:24186**

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## DIRECTORS' REPORT

Dear Members,

Your Directors present to you the 11<sup>th</sup> Annual Report and the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2019.

### STANDALONE FINANCIAL RESULTS

Particular	(₹ in Lakhs)	
	2018-19	2017-18
<b>Total Revenue</b>	<b>4049.04</b>	4,508.92
<b>Profit before interest, depreciation &amp; taxation</b>	<b>2,184.31</b>	2,360.41
Less: Interest and Finance Charges	<b>114.68</b>	193.73
Profit before Depreciation & taxation	<b>2,069.63</b>	2,166.68
Less: Depreciation	<b>163.42</b>	169.82
<b>Profit before tax</b>	<b>1,906.21</b>	1,996.86
<b>Less: Provision for Taxation</b>		
(i) Income Tax – Current #	<b>237.88</b>	205.98
(ii) Income Tax – Deferred	<b>(178.74)</b>	(152.41)
<b>Profit after tax</b>	<b>1,847.07</b>	1,943.29
Other Comprehensive Income	<b>0.30</b>	12.57
<b>Profit including Other Comprehensive Income</b>	<b>1,847.37</b>	1,955.86

# Net of prior period tax provision written back Rs. 185.12 lakhs (Last year Rs. 204.02 lakhs)

For the year 2018-19, there is a profit after tax of ₹ 1,847.37 lakhs as against ₹ 1,955.86 lakhs in the previous year.

### DIVIDEND

The Directors are pleased to recommend a dividend of ₹ 1 per Equity Share (20%) of ₹ 5/- each on 1,09,26,475 Equity Shares of the Company for the financial year 2018-19 [previous year ₹ 1 per Equity Share (20%) of ₹ 5/- each].

The dividend payout will be ₹ 109.26 lakhs, excluding dividend distribution tax of ₹ 22.46 lakhs.

### TRANSFER TO RESERVE

The Board of Directors have decided to retain the entire amount of profits for FY 2018-19 in the profit and loss account.

### WORKING FOR THE CURRENT YEAR 2018-19

During the year under review, your Company achieved a turnover of ₹ 3,700.77 lakhs, as against ₹ 4,163.21 lakhs in the previous year.

### SUBSEQUENT FINANCIAL YEAR 2019-20

As forecasted in the last annual report, the year saw a drop of around 11.11% in the revenue of the company as new terminals started handling chemical products after getting approval from the various authorities. There was severe rate cutting by the new entrants. The market situation has stabilised to an extent, and it is expected, that in the coming year the, company will be able to increase earnings. However, the uncertainty in respect of lease rentals payable to Deendayal Port Trust [formerly Kandla Port Trust] may continue and affect the bottom line.

### EXPANSION PLANS

The demand for storage tanks for chemicals is on the rise in the east coast of India. The Company plans to put a Bulk Liquid Terminal at Kakinada on the 10 acre plot leased from Kakinada port. Necessary statutory permissions are being obtained from various State Government and other statutory bodies for commencement of construction of proposed facilities. This project could not be taken up last year as the company had to fund the activities of the subsidiary company on a regular basis.

# Annual Report 2018-2019

At Pipavav in Gujarat, the Company plans to set up a Warehouse and empty container storage and repair facility at its own site near the port gate to start a new income stream as the container traffic in the port has not grown as expected and does not support viability of a Container Freight Station (CFS). Similarly, the present volume of liquids handled at the port does not justify putting up any Bulk Liquid Tank terminal as for there is excess capacity of bulk liquid storage tanks at the port.

## WHOLLY-OWNED SUBSIDIARY COMPANY

Kesar Multimodal Logistics Ltd. (KMLL) is a Wholly-Owned Subsidiary of the Company. 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, is also available at the website of the Company <https://www.kesarinfra.com/annual-reports>.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1) (c) of the Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's website at <https://www.kesarinfra.com/policies>.

During the year under review, no Company has become or ceased to be a subsidiary of the Company. The Company does not have any associate or joint venture companies. A report on the financial position of the subsidiary Company as per the Companies Act, 2013 ('the Act') is provided in Form AOC-1 attached to the financial statements.

## Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiary, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

## Composite Logistics Hub Project of the Wholly-Owned Subsidiary Company

Due to general economic slowdown in infrastructure sector, KMLL did not attract expected business volume in 2016-17 & 2017-18 and hence approached M. P. State Agricultural Marketing Board (Mandi Board), Govt. Of Madhya Pradesh for extension of time limit for construction of facilities for Phase II by 5 years. KMLL has been granted an extension of 3 years and hopes to generate sufficient revenue from 2019-20 to start construction of the Phase II of the project effective 2020-21.

During the year, KMLL showed a marked improvement in the warehousing segment and also in the domestic rail movement of wheat and other agricultural produce. However, the EXIM business could not materialise as the bridge over river Narmada was shut for heavy vehicular movement for over 4 months for ongoing major repairs from December 2018 till April 2019.

KMLL has incurred substantial losses during the financial years ended 31.03.2018 & 31.03.2019. Originally, the Project was conceived with Term Loans from 3 Banks and the Promoters contribution (the Company). Further, the scope of the project increased due to the 2 way rail connectivity and certain changes prescribed by the Railways including more safety features, which resulted in the increase in the cost of project from about ₹ 149 crores to about ₹ 220 crores. The revised means of financing envisaged additional contribution from the Promoter of about ₹ 26 crores and additional debt of around ₹ 45 crores. Two of the 3 Banks reappraised the project and sanctioned their share of additional loans of ₹ 33.90 crores. However one Bank did not sanction its share of ₹11.44 crores. Consequently, the two Banks did not disburse even their share of the sanctioned term loan of ₹ 33.90 crores, which is not in accordance with the RBI Guidelines on Consortium lending, as a result of which KMLL had to complete the requisite work with the additional funds inducted by the Company. Thus, slow pick up of the business and funding gap created by non sanction of the additional term loans by one Bank, resulted in a shortage of funds. There was overdue of interest and principal amounts towards the Banks of KMLL. Consequently, KMLL had requested its Banks to restructure the Term Loans. In the Consortium meeting held on 20.11.2017, the Banks had invoked Strategic Debt Restructuring (SDR) wherein a part of the Term Loans were to be converted into equity share capital so that the Banks hold 51% of KMLL's shares post conversion. Later, in the Consortium meeting held on 17.01.2018, the Banks had confirmed that the SDR had been approved by the respective competent authorities of the majority of the Banks. However, Reserve Bank of India [RBI] vide its circular dated 12.02.2018 withdrew the SDR Scheme with immediate effect and accordingly the account of KMLL had been classified as Non-Performing Asset [NPA], thereafter Dena Bank has recalled the loans from KMLL and invoked the Corporate Guarantee given by the Company, which has been contested by the Company.

KMLL had filed a Special Leave Petition (SLP) with the Hon'ble Supreme Court of India against the applicability of the said RBI circular and the Hon'ble Supreme Court of India has, on 02.04.2019, quashed the impugned Circular dated

## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

12.02.2018 issued by RBI being ultravires section 35AA of the Banking Regulation Act as such all the actions taken under the said circular, including actions by which the Insolvency Code has been triggered must fall along with the said Circular.

Dena Bank had filed against KMLL and the Company separate petitions under the Insolvency and Bankruptcy Code, (IBC) 2016 in National Company Law Tribunal (NCLT) Mumbai on 30.10.2018. Out of that the petition filed against the Company was dismissed by NCLT on 29.07.2019 in view of the judgement passed by the Hon'ble Supreme Court vide Order dated 02.04.2019 in Dharani Sugars and Chemicals Ltd. vs. Union of India and others along with which Special Leave Petition of KMLL vs.RBI and others was tagged and disposed off. The petition filed against KMLL in NCLT is also expected to be dismissed on the basis of the above referred order.

Further, on 30.4.2019, KMLL has filed a Writ Petition in the Hon'ble High Court of Bombay praying for reinstatement of the SDR, the outcome of which is awaited.

The Management expects a significant improvement in revenues and business of KMLL in the near future. The Company continues to extend its continuous financial support to KMLL.

### **SHARE CAPITAL**

The Authorised Share Capital of the Company is ₹ 15,00,00,000/- divided into 2,50,00,000 Equity Shares of ₹ 5/- each aggregating to ₹ 12,50,00,000 and 25,00,000 Redeemable Preference Shares of ₹ 10/- each aggregating to ₹ 2,50,00,000. The Paid up Share Capital of the Company is 1,09,26,475 Equity Shares of ₹ 5/- each aggregating to ₹ 5,46,32,375.

### **BOARD AND AUDIT COMMITTEE MEETINGS**

During the year 6 Board Meetings and 5 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**

#### **Directors**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri J K Devgupta, Non Executive Director retires by rotation as Director at the ensuing AGM and being eligible, offers himself for re-appointment. As per the SEBI (LODR) Regulations 2015, a brief profile of Shri J K Devgupta retiring by rotation forms part of the Notice of the 11th AGM. The Board recommends his re-appointment.

During the year, the Special Resolution has been passed with requisite majority through postal ballot process for continuation of directorships of Shri A S Ruia, above his age of 75 years under Regulation 17(1A) of the SEBI Listing Regulations, 2015. Approval of the shareholders was obtained for continuation of Shri A S Ruia through Postal Ballot on 25.03.2019.

The Board has reappointed Shri J K Devgupta as a Non Executive Non Independent Director subject to the approval of Members in the ensuing Annual General Meeting.

Shri A S Ruia, Shri, J N Godbole and Shri R S Loona were appointed as Independent Directors at the 6<sup>th</sup> Annual General Meeting held on 4<sup>th</sup> July, 2014 for a period of five years and accordingly they hold office up to the ensuing Annual General Meeting. Pursuant to Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, the Board has on the recommendations of the Nomination and Remuneration Committee and subject to approval of members at the ensuing Annual General meeting, recommended them as Independent Directors for another term of 5 years, not liable to retire by rotation.

Resolutions for aforementioned re-appointments along with brief profile of the directors proposed to be re-appointed, form part of the explanatory statement of the Notice of the 11th AGM and respective resolutions are recommended for your approval.

Mrs. Nilima Mansukhani was appointed as an Independent women Director of the Company in the AGM held on 27.09.2018 for the first term of 5 years.

#### **Declarations by Independent Directors**

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 as well as clause (b) of sub-regulation (1) of Regulation 16 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). In terms of

# Annual Report 2018-2019

Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

## **Performance Evaluation:**

The Nomination and Remuneration Committee of the Board of Directors of the Company have laid down criteria for performance evaluation of the Board of Directors including Independent Directors. Pursuant to the requirement of the Companies Act, 2013, the SEBI Listing Regulations and considering criteria specified in the SEBI Guidance Note on Board Evaluation, the Board has carried out the annual performance evaluation of entire Board, Committee and all the Directors based on the parameters as detailed in the Report on Corporate Governance forming part of this Annual Report. The parameters of performance evaluation were circulated to the Directors in the form of questionnaire.

The performance evaluation of the non-independent Directors viz., the Executive Chairman, Non Executive Director and the Board as a whole was carried out by the Independent Directors at their separate meeting held on 14<sup>th</sup> February, 2019.

## **Key Managerial Personnel**

Shri Navlesh Kumar was appointed as CEO of the Company w.e.f. 21.05.2018.

Mrs. Sarika Singh was appointed as Company Secretary w.e.f. 13.08.2018.

In accordance with the provisions of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Vipul Doshi, Chief Financial Officer, Shri Navlesh Kumar, Chief Executive Officer and Mrs. Sarika Singh, Company Secretary & Compliance Officer are the Key Managerial Personnel ('KMP') of your Company.

## **Nomination and Remuneration Policy**

During the year under review, the Company has revised the Nomination and Remuneration Policy, in accordance with the amendments to Section 178 of the Act and Listing Regulations. The Board has framed a Policy for selection and appointment of Directors, Senior Management and their remuneration. The salient features of the Policy and changes therein are set out in the Corporate Governance Report which forms part of this Annual Report. The details of the Nomination & Remuneration Policy are available on the website: <https://www.kesarinfra.com/policies>.

## **Familiarisation Programme**

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: <https://www.kesarinfra.com/policies>.

## **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 that:

- (i) in preparation of the annual accounts for the financial year ended on 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts for the financial year ended on 31st March, 2019 on a going concern basis; and
- (v) the Directors have laid down proper internal financial controls in place and that such internal financial controls are adequate and are operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



# **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

## **RELATED PARTY TRANSACTIONS**

Company has formulated a policy on related party transactions which was revised in line with the amendments to the Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's website: <https://www.kesarinfra.com/policies>.

All Related Party Transactions are placed before the Audit Committee / Board, as applicable, for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. A quarterly statement of all Related Party Transactions is placed before the Audit Committee for review at every meeting, specifying the nature, value and terms and conditions of the transactions.

Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported under Section 188(1) of the Act, as prescribed in Form AOC-2.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

## **EXTRACT OF ANNUAL RETURN**

Pursuant to the provision of Section 92 of the Companies Act, 2013, an extract of the Annual Return is annexed as **Annexure 'A'** to this report.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY**

The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by external auditors. The Audit Committee monitors this system and ensures adequacy of the same. The Statutory Auditors of the Company also provides their opinion on the internal financial control framework of the Company.

## **RISK MANAGEMENT**

The Board of Directors of the Company has constituted Risk Management Committee to monitor and review the risk management plan including functions related to cyber security, assess the risks and measures to mitigate the risks.

## **MAINTENANCE OF COST RECORDS**

The maintenance of cost records, for the services rendered by the Company, is not required pursuant to Section 148 (1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT**

The Management Discussion & Analysis Report is annexed and forms part of this Annual Report. Pursuant to Regulation 34(3) of the Listing Regulations, Corporate Governance Report containing the details as required under Schedule (V) (C) of the said Regulations along with a certificate from the Secretarial Auditors of the Company confirming the compliance of the conditions of corporate governance by the Company as required under Schedule (V) (E) of the said Regulations is annexed hereto and forms an integral part of this Report.

## **CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE:**

In terms of the Listing Regulations, the certificate, as prescribed in Part B of Schedule II of the said Regulations, has been obtained from Shri Navlesh Kumar, Chief Executive Officer and Shri V J Doshi, Chief Financial Officer, for the financial year 2018-19 with regard to the financial statements and other matters. The said certificate forms part of the report on Corporate Governance.

# Annual Report 2018-2019

## INSIDER TRADING

In compliance with the SEBI regulation on prevention of Insider Trading, your Company has framed a comprehensive code which lays down guidelines and advises the Directors and designated employees of the Company on procedures to be followed and disclosures to be made, while dealing in securities of the Company. During the year under review, the Company adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the Code of Conduct for Prohibition of Insider Trading in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

## DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted an Internal Complaint Committee (ICC) for prevention and redressal of complaints/ grievances on the sexual harassment of women at work places.

The Company has not received any complaint of sexual harassment during the financial year 2018-19

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars under Section 134(3)(m) of the Companies Act, 2013 with respect to conservation of energy, technology absorption is not applicable to the Company. During the year under review, there were no foreign Exchange Earnings (Previous year Nil) and Foreign Exchange Outgo stood at ₹ 13,91,033/- (Previous Year ₹ 1,39,348/-).

## INSURANCE

The Company has taken adequate insurance for all its properties.

## DEPOSITS

As per the Companies Act, 2013, the Company has not taken deposits in terms of Section 73 of the Act.

## AUDITORS

### Statutory Auditors and Statutory Audit Report

M/s. Haribhakti & Co. LLP has been the Company's statutory auditors since 2008-09. The Members in the 7<sup>th</sup> Annual General Meeting held on September 23, 2015 had appointed M/s. Haribhakti & Co. LLP as the Company's statutory auditors till the conclusion of 11<sup>th</sup> Annual General Meeting. As M/s. Haribhakti & Co., LLP has already served as Statutory Auditors of the Company for two terms of five consecutive years, hence pursuant to section 139 of the Companies Act, 2013, your Company is required to appoint new Statutory Auditor.

Pursuant to Section 139 and other applicable provision of the Act, the resolution for appointment of M/s. Chandabhoy & Jassoobhoy, Chartered Accountants as recommended by the Audit Committee and the Board, as Statutory Auditor of the Company to hold office for a term of 5 years i.e. from the conclusion of 11<sup>th</sup> AGM till the conclusion of 16<sup>th</sup> AGM (to be held during calendar year 2024), is placed for the approval of Members of the Company at the ensuing AGM. M/s. Chandabhoy & Jassoobhoy has provided a written consent and confirmed that they are eligible to act as Statutory Auditor of the Company.

No frauds have been reported by the Statutory Auditors during the financial year 2018-19 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The reports of the Statutory Auditors on Standalone and Consolidated Ind AS Financial Statements forms part of this Annual Report. The Auditors' Report does not contain any qualification, reservation and adverse remark.

### Internal Auditors

The Company has an adequate Internal Control System. All transactions are properly authorized, recorded and reported to the Management.

The Company is having M/s. Ashok Jayesh & Co., Chartered Accountants as its Internal Auditors in accordance with the provisions of Section 138(1) of the Companies Act, 2013. The Audit Committee reviews the observations made by the Internal Auditors in their Report on Half Yearly basis and makes necessary recommendations to the management.

# **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

## **Secretarial Auditor & Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ragini Chokshi & Co., Practicing Company Secretary to undertake the Secretarial Audit of the Company for the Financial Year 2018-19.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2019 is set out in **Annexure 'B'** to this Report.

The audited financial results for the quarter and year ended March 31, 2018 pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were filed by the Company with BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) on June 13, 2018 as against the due date of May 30, 2018 and the Company had paid the fine of ₹ 82,600/- to National Stock Exchange of India Ltd. (NSE) in this regard.

The abovementioned results could not be prepared within the stipulated timelines due to first time implementation of Ind AS.

## **WHISTLEBLOWER/VIGIL MECHANISM POLICY**

The Whistle Blower Policy of the Company, adopted by the Board, provides mechanism to its directors, employees and other stakeholders to raise concerns about any violation of legal or regulatory requirements, misrepresentation of any financial statement and to report actual or suspected fraud or violation of the Code of Conduct of the Company.

The Policy allows the whistleblowers to have direct access to the Chairman of the Audit Committee in exceptional circumstances and also protects them from any kind of discrimination or harassment. The Whistle Blower Policy of the Company can be accessed at the website: <https://www.kesarinfra.com/policies>.

## **CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, 'Corporate Social Responsibility Policy' as approved by the Board is uploaded on the website: <https://www.kesarinfra.com/policies>.

The composition and functions of the CSR Committee has been detailed in the Corporate Governance Report. The Company has undertaken CSR activities in accordance with Schedule VII of the Companies Act, 2013. The Annual Report on CSR activities is annexed herewith as **Annexure 'C'**.

## **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Relation with the employees remained cordial throughout the year. Your Directors place on record their sincere appreciation for the excellent spirit and commendable progress showcased by the entire team of the Company working at its Terminals and Offices.

The information required pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees on the payroll of the Company in India, is provided as **Annexure- "D"** which forms part of this report.

The information required pursuant to Section 197 read with Rule 5(2)&(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their grateful appreciation for the assistance and co-operation extended by the employees, Banks, Financial Institutions, Customers and the wholehearted support extended by the shareholders during the year.

For and on behalf of the Board of Directors

**H R Kilachand**  
**Executive Chairman**  
DIN: 00294835

Place: Mumbai  
Date: 13.08.2019

# Annual Report 2018-2019

Annexure 'A'

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on financial year ended 31-03-2019

[Pursuant to Section 92(3) of the Companies act, 2013 read with  
[The Companies (Management and Administration) Rules, 2014]

#### A. REGISTRATION AND OTHER DETAILS:

CIN:-	L45203MH2008PLC178061
Registration Date:	21.01.2008
Name of the Company:	Kesar Terminals & Infrastructure Limited
Category / Sub-Category of the Company	Public Company Limited by Shares
Address of the Registered office and contact details:	Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai - 400 020. Phone: 022 22042396 email: headoffice@kesarindia.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	SHAREX DYANAMIC (INDIA) PVT. LTD C-101, 247 PARK, LBS MARG, VIKHROLI WEST MUMBAI-400083. Phone: 022 28515606, email: sharexindia@vsnl.com

#### B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
a.	Storage & Handling Services of Liquid Chemicals	52109	100%

#### C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held
a.	<b>Kesar Multimodal Logistics Limited</b> Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai - 400 020.	U74120MH2011PLC222597	Subsidiary Company	100%

#### D. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
<b>(1). INDIAN</b>									
(a). individual	1787133	33293	1820426	16.661	1787133	33236	1820369	16.66	-0.001
(b). Central Govt.		0				0			0
(c). State Govt(s).		0				0			0
(d). Bodies Corpp.	4727245	0	4727245	43.264	4727245	0	4727245	43.264	0
(e). FIINS / BANKS.		0				0			0
(f). Any Other		0				0			0
<b>Sub-total (A) (1):-</b>	<b>6514378</b>	<b>33293</b>	<b>6547671</b>	<b>59.925</b>	<b>6514378</b>	<b>33236</b>	<b>6547614</b>	<b>59.924</b>	<b>-0.001</b>
<b>(2). FOREIGN</b>									
(a). Individual NRI / For Ind		0				0			0
(b). Other Individual		0				0			0
(c). Bodies Corporates		0				0			0
(d). Banks / FI		0				0			0

## KESAR TERMINALS & INFRASTRUCTURE LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e). Qualified Foreign Investor		0				0			0
(f). Any Other Specify		0				0			0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>6514378</b>	<b>33293</b>	<b>6547671</b>	<b>59.925</b>	<b>6514378</b>	<b>33236</b>	<b>6547614</b>	<b>59.924</b>	<b>-0.001</b>
<b>(B) (1). PUBLIC SHAREHOLDING</b>									
(a). Mutual Funds	0	145	145	0.001	0	145	145	0.001	0
(b). Banks / FI	7025	1008	8033	0.074	573	1008	1581	0.014	-0.06
(c). Central Govt.	0	0	0	0		0			0
(d). State Govt.	0	0	0	0		0			0
(e). Venture Capital Funds		0				0			0
(f). Insurance Companies	527196	0	527196	4.825	527196	0	527196	4.825	0
(g). FIs	35000	0	35000	0.32	35000	0	35000	0.32	0
(h). Foreign Venture Capital Funds		0				0			0
(i). Others (specify)		0				0			0
<b>Sub-total (B)(1):-</b>	<b>569221</b>	<b>1153</b>	<b>570374</b>	<b>5.22</b>	<b>645284</b>	<b>1153</b>	<b>646437</b>	<b>5.915</b>	<b>0.695</b>
<b>2. Non-Institutions</b>									
<b>(a). BODIES CORP.</b>									
(i). Indian	699299	2019	701318	6.419	624230	1294	625524	5.725	-0.694
(ii). Overseas		0				0			0
<b>(b). Individuals</b>									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2295792	308782	2604574	23.837	2383032	203013	2586045	23.668	-0.169
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	275391	0	275391	2.52	305397	0	305397	2.795	0.275
(c). Other (specify)									
Non Resident Indians	145375	291	145666	1.333	138424	0	138424	1.267	-0.066
Overseas Corporate Bodies		0				0			0
Foreign Nationals		0				0			0
Clearing Members	81481	0	81481	0.746	77034	0	77034	0.705	-0.041
Trusts		0				0			0
Foreign Boodies -D R		0				0			0
<b>Sub-total (B) (2):-</b>	<b>3497338</b>	<b>311092</b>	<b>3808430</b>	<b>34.855</b>	<b>3528117</b>	<b>204307</b>	<b>3732424</b>	<b>34.16</b>	<b>-0.695</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4066559</b>	<b>312245</b>	<b>4378804</b>	<b>40.075</b>	<b>4173401</b>	<b>205460</b>	<b>4378861</b>	<b>40.075</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		<b>0</b>				<b>0</b>			<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>10580937</b>	<b>345538</b>	<b>10926475</b>	<b>100</b>	<b>10687779</b>	<b>238696</b>	<b>10926475</b>	<b>100</b>	<b>0</b>

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## (ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			ShareHolding at the end of the Year			% changes in share holding during the year
		No.of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No.of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	
1	KESAR CORPORATION PVT LTD	3014439	27.588	0	3014439	27.588	0	0
2	KESAR ENTERPRISES LTD.	1040000	9.518	0	1040000	9.518	0	0
3	VINAYAK VASUDEO SAHASRABUDHE* (Harsh Family Trust)	0	0	0	640348	5.861	0	5.861
4	MADHAVI HARSH KILACHAND*	640348	5.861	0	0	0	0	-5.861
5	HARSH RAJNIKANT KILACHAND	498738	4.564	0	498738	4.564	0	0
6	INDIAN COMMERCIAL CO PVT LTD	338174	3.095	0	338174	3.095	0	0
7	SEEL INVESTMENT PVT LTD	319852	2.927	0	319852	2.927	0	0
8	ROHAN HARSH KILACHAND	305241	2.794	0	305241	2.794	0	0
9	ROHITA HARSH KILACHAND	303409	2.777	0	303409	2.777	0	0
10	HARSH RAJNIKANT KILACHAND HUF	39929	0.365	0	39929	0.365	0	0
11	RAJNIKANT A KILACHAND HUF	20073	0.184	0	20073	0.184	0	0
12	INDIA CARAT PVT LTD	14780	0.135	0	14780	0.135	0	0
13	SHREEMATI AMBALAL KILACHAND	12631	0.116	0	12631	0.116	0	0
14	AMRISH RAJNIKANT KILACHAND**	43	0	0	0	0	0	0
15	RAMILA RAJNIKANT KILACHAND**	14	0	0	0	0	0	0

\* Note: Inter se transfer of shares among promoter group from Madhavi Kilachand to Harsh Family Trust.

\*\* Tranfered to IEPF.

## (iii) Change in Promoter's Shareholding(Please specify, if there is change)

Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the company
		No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	
1	VINAYAK VASUDEO SAHASRABUDHE (Harsh Family Trust)			0	0	01-04-2018		

## KESAR TERMINALS & INFRASTRUCTURE LIMITED

Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the company
		No. of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	
				01-02-2019	303388	Inter se Transfer of Shares through Gift Deed to Harsh Family Trust	303388	2.777
				08-02-2019	336960		336960	3.084
				31-03-2019			640348	5.861
2	MADHAVI HARSH KILACHAND	640348	5.861	01-04-2018				
				01-02-2019	-303388	Inter se Transfer of Shares through Gift Deed to Harsh Family Trust	303388	2.777
				07-02-2019	-336960		336960	3.084
				31-03-2019				
3.	AMRISH RAJNIKANT KILACHAND	43	0	01-04-2018				
				04-04-2018	-43	Transferred to IEPF	0	0
	-Closing Balance			31-03-2019			0	0
4.	RAMILA RAJNIKANT KILACHAND	14	0	01-04-2018				
				04-04-2018	-14	Transferred to IEPF	0	0
	-Closing Balance			31-03-2019			0	0

iv) Shareholding pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):

Sr. No	Name	No. of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	% of total Shares of the company
1	THE ORIENTAL INSURANCE COMPANY LIML	459488	4.205	01-04-2018		No Change	459488	4.205
	-Closing Balance			31-03-2019		No Change	459488	4.205

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Sr. No	Name	No. of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	% of total Shares of the company
2	MENTOR CAPITAL LIMITED	362769	3.320	01-04-2018				
	Closing Balance			31-03-2019		No Change	362769	3.320
3	RAJU AJIT BHANDARI	86254	0.789	01-04-2018				
				28-09-2018	501	Buy	86755	0.794
				05-10-2018	-292	Sold	86463	0.791
				12-10-2018	-658	Sold	85805	0.785
				26-10-2018	-861	Sold	84944	0.777
				22-02-2019	2620	Buy	87564	0.801
				08-03-2019	6766	Buy	94330	0.863
				15-03-2019	-700	Sold	93630	0.857
				22-03-2019	-301	Sold	93329	0.854
				29-03-2019	-100	Sold	93229	0.853
	-Closing Balance			31-03-2019			93229	0.853
4.	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	0	0	01-04-2018				
				13-04-2018	78991	Transferred to IEPF	78991	0.723
				28-09-2018	3524	Transferred to IEPF	82515	0.755
				31-03-2019			82515	0.755
5	NATIONAL INSURANCE COMPANY LTD	67708	0.620	01-04-2018				
	-Closing Balance			31-03-2019		No Change	67708	0.62
6	MUKESH BABU FINANCIAL SERVICES LIMITED	58240	0.533	01-04-2019				
	-Closing Balance			31-03-2019		No Change	58240	0.533
7	Gaurang Navinchandra Shah	41718	0.382	01-04-2018				
				06-04-2018	3100	Buy	44818	0.413



## KESAR TERMINALS & INFRASTRUCTURE LIMITED

Sr. No	Name	No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	% of total Shares of the company
				20-04-2018	-2255	Sold	42563	0.390
				27-04-2018	-1545	Sold	41018	0.375
				01-06-2018	-1500	Sold	39518	0.362
				23-11-2018	1169	Buy	40687	0.372
				30-11-2018	1415	Buy	42102	0.385
				14-12-2018	505	Buy	42607	0.390
				22-02-2019	-20	Sold	42587	0.390
				08-03-2019	-779	Sold	41808	0.383
				15-03-2019	-790	Sold	41018	0.375
				29-03-2019	500	Buy	41518	0.380
	-Closing Balance			31-03-2019			41518	0.380
8	GAURANG NAVINCHANDRA SHAH HUF	22588	0.207	01-04-2018				
				06-04-2018	15000	Buy	37588	0.346
	-Closing Balance			31-03-2019			37588	0.344
9	PREMIER INVESTMENT FUND LIMITED	35000	0.320	01-04-2018				
	-Closing Balance			31-03-2019		No Change	35000	0.320
10	ROYCE VENTURES PVT LTD	13980	0.128	01-04-2018				
				29-06-2018	10872	Buy	24852	0.227
				06-07-2018	1520	Buy	26372	0.241
				13-07-2018	3941	Buy	30313	0.277
				20-07-2018	3667	Buy	33980	0.311
	-Closing Balance			31-03-2019			33980	0.311
11	GIRISH KULKARNI	31812	0.291	01-04-2018				
	-Closing Balance			31-03-2019		No Change	31812	0.291
12	SANDEEP RAVINDRA SHAH	25000	0.229	01-04-2018				
	-Closing Balance			31-03-2019		No Change	25000	0.229
13	AKUM MERCANTILE COMPANY PRIVATE LIMITED	29000	0.265	01-04-2018				
				15-02-2019	-2866	Sold	26134	0.239
				01-03-2019	-1311	Sold	24823	0.227
				08-03-2019	-20483	Sold	4340	0.040
	-Closing Balance			15-03-2019	-4340	Sold	0	0.000

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## (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the year		Date of Transaction	Increase or Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning / end of the Year	% of the Shares of the company				No. of shares	% of total Shares of the company
1	Harsh Rajnikant Kilachand	4,98,738	4.56		No Change		4,98,738	4.56
2	Anil Kumar S Ruia	1456	0.013		No Change		1456	0.013
3.	Jayant Narayan Godbole	0	0	-	-	-	0	0
4.	Rajendra Singh Loona	0	0	-	-	-	0	0
5	Nilima Mansukhani	0	0	-	-	-	0	0
6	Jayanto Kumar Devgupta	291	0.003		No Change		291	0.003

Note : The key managerial personnel of the company do not hold any shares of the company.

## E. INDEBTEDNESS

### I Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,62,06,012	-	-	11,62,06,012
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12,43,078	-	21,400	12,64,478
<b>Total (i+ii+iii)</b>	<b>11,74,49,090</b>	<b>-</b>	<b>21,400</b>	<b>11,74,70,490</b>
Change in Indebtedness during the financial year				
• Addition	8,76,000	-	-	8,76,000
• Reduction	6,27,39,836	-	(21,400)	6,27,61,236
Net Change	(6,18,63,836)			6,18,85,236
Indebtedness at the end of the financial year				
i) Principal Amount	5,49,58,399	-	-	5,49,58,399
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	6,26,856	-	-	6,26,856
<b>Total (i+ii+iii)</b>	<b>5,55,85,255</b>	<b>-</b>	<b>-</b>	<b>5,55,85,255</b>

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Shri H R Kilachand	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,415,000	8,415,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify...		
5	Others, please specify		
	Total (A)	8,415,000	8,415,000
	Ceiling as per the Act		

### B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors				Total Amount
<b>1. Independent Directors</b>	<b>Shri A S Ruia</b>	<b>Shri J N Godbole</b>	<b>Shri R S Loona</b>	<b>Smt Nilima Ashok Mansukhani*</b>	
• Fee for attending board / committee meetings	3,00,000	3,20,000	3,20,000	1,40,000	10,80,000
• Commission					
• Others, please specify					
Total (1)					
<b>2. Other Non-Executive Directors</b>	<b>Shri J K Devgupta</b>				
• Fee for attending board / committee meetings	1,20,000				1,20,000
• Commission					
• Others, please specify					
Total (2)					
Total (B)=(1+2)					
Total Managerial Remuneration					
Overall Ceiling as per the Act					

\*Appointed w.e.f. 21.05.2018.

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## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO Shri V J Doshi	Company* Secretary Sarika Singh	CEO# Navlesh Kumar	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	77,77,440	716,194	40,76,555	1,25,70,189
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit				
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>77,77,440</b>	<b>716,194</b>	<b>40,76,555</b>	<b>1,25,70,189</b>

Note: \*Appointed w.e.f 13.08.2018, # appointed w.e.f.21.05.2018.

## G. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority [RD / NCLT/ COURT]
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

Annexure 'B'

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE PERIOD 01-04-2018 TO 31-03-2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,

**KESAR TERMINALS & INFRASTRUCTURE LIMITED**  
Oriental House, 7, Jamshedji Tata Road, Churchgate,  
Mumbai - 400020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KESAR TERMINALS & INFRASTRUCTURE LIMITED (CIN: L45203MH2008PLC178061)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the KESAR TERMINALS & INFRASTRUCTURE LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period 1st April, 2018 to 31st March, 2019 ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period 1st April, 2018 to 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder and amendments thereto;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (No event during reporting period).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - (No event during reporting period).
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - (No event during reporting period).
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (No event during reporting period).
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client. (Not Applicable during reporting period)
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (No event during reporting period).
  - h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009 - (No event during reporting period).
- (vi) We have relied on the certificates obtained by the Company from the Management Committee/Function heads and based on the report received, there has been due compliance of all laws, orders, regulations and other legal requirements of the central, state and other Government and Legal Authorities concerning the business and affairs of the company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company: -

1. The Petroleum Rules, 1908
2. The Manufacture, Storage & Import of Hazardous Chemicals Rules, 1989
3. Major Port Trusts Act, 1963
4. Workmen's Compensation Act, 1923
5. Merchant Shipping Act, 1983
6. Factories Act, 1948
7. Industrial Disputes Act, 1947
8. Environment (Protection) Act, 1986 and other Law, rules, regulations, bye-laws relating to Terminals and ports.

We have also examined compliance with applicable clauses of the following:

- a) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- b) The Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered into by the Company with Stock Exchange.

# Annual Report 2018-2019

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except:

- (i) The audited financial results for the quarter and year ended March 31, 2018 pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were filed by the Company with BSE Ltd. and National Stock Exchange of India Ltd. (NSE) on June 13, 2018 as against the due date of May 30, 2018 and the Company had paid the fine of ₹ 82,600/- to NSE in this regard;

## **We further report that during the reporting period;**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- The changes in the composition of the Board of Directors that took place during the period under review were carried out and is in compliance with the provisions of the Act.
- Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- There were adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- The compliances by the Company of applicable Financial Laws like Direct & Indirect Tax Laws, Service Tax has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

We further report that during the reporting period, following changes were took place in the management of the Company.

1. Mr. Nilima Ashok Mansukhani has appointed as an Additional Independent director of the Company with effect from 21st May, 2018 and has been regularized as Independent director of the Company in the Annual General Meeting held on 27th September, 2018.
2. Mr. Navlesh Kumar has appointed as Chief Executive Officer of the Company with effect from 21st May, 2018.
3. Ms. Sarika Santoshkumar Singh has appointed as a Company Secretary of the Company with effect from 13th August, 2018.
4. The Company has passed special resolution through postal ballot on March 25, 2019, for seeking approval of members for continuation Directorship of Mr. A S Ruia (DIN 00296622), as Non-Executive Independent Director who has crossed age of 75 Years as required under SEBI (LODR), 2018.

**For Ragini Chokshi & Co.  
(Company Secretaries)**

**Mr. Makarand Patwardhan**  
(Partner)  
C.P. No. 9031/ACS No. 11872

Place: Mumbai  
Date: 13.08.2019

**'Annexure –A'**

To  
The Members,  
**KESAR TERMINALS & INFRASTRUCTURE LIMITED**  
Oriental House, 7 Jamshedji Tata Road, Churchgate  
Mumbai - 400020

Our report of even date is to be read along with this letter.

1. The maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records.

We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

- a. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- b. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- c. The compliance of the provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- d. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For Ragini Chokshi & Co.  
(Company Secretaries)**

**Mr. Makarand Patwardhan**  
(Partner)  
C.P. No. 9031/ACS No. 11872

Place: Mumbai  
Date: 13.08.2019

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A Brief Outline of the Company's CSR Policy, including overview of Projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs- CSR Policy is available at the website: <https://www.kesarinfra.com/policies>. Overview of the Projects proposed / undertaken is provided below.

2. The composition of the CSR Committee of the Board of Directors as on 31st March, 2019

<b>Name of the member</b>	<b>Designation</b>
Shri J N Godbole(Independent Director)	Chairman
Shri R S Loona(Independent Director)	Member
Shri J K Devgupta, Member(Non Executive Director)	Member
Shri H R Kilachand(Executive Chairman)	Member

3. Average net profit of the Company for the last three years: ₹ 22.93 crores

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above): ₹ 0.46 crore approx.

5. Details of CSR spent during the financial year 2018-19.

(a) Total amount to be spent for the financial year: ₹ 0.46 crore approx.

(b) Amount unspent, if any: 0.46 crore.

(c) Manner in which the amount spent during the financial year 2018-19 is detailed below:

<b>CSR expenses during the financial year 2018-19</b>	<b>Amount (In ₹)</b>
	NIL

6. The balance amount of ₹ 1.67 Crores approx is lying unspent. The Committee at its meeting held on 26.03.2019 reviewed various proposals placed before them and awaited for additional information on certain proposals. In order to ensure that CSR projects undertaken by the Company are selected, implemented and monitored in a strategic and systematic manner, such that the impacts created can be sustainable. Accordingly, the balance amount of ₹ 1.67 Crores would be spent during the next financial year 2019-20 for its proper implementation.

7. The CSR Committee further states that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

**For and on behalf of the CSR Committee**

**J N Godbole**  
Chairman of the CSR Committee  
DIN: 00056830

Place: Mumbai  
Date: 13.08.2019

# Annual Report 2018-2019

## Annexure "D"

### Particulars of Employees remuneration and other details in terms of Section 134(3)(q) read with Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. The ratio of the remuneration of executive director to the median remuneration of the employees of the Company for the financial year 2018-19:

Name of the Directors	Ratio of remuneration of Director to the Median remuneration
Shri H R Kilachand	12.30:1
Shri A S Ruia	0.48:1
Shri J N Godbole	0.51:1
Shri R S Loona	0.51:1
Shri J K Devgupta	0.19:1
Mrs. Nilima Mansukhani*	0.22:1

Note:\* Mrs. Nilima Mansukhani Appointed as Independent Director w.e.f from 21/05/2018.

2. The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year 2018-19:

Executive Director	
Shri H R Kilachand	Nil
Shri A S Ruia	Nil
Shri J N Godbole	Nil
Shri R S Loona	Nil
Shri J K Devgupta	Nil
Mrs. Nilima Mansukhani <sup>§</sup>	NA
Key Managerial Personnel	
Shri V J Doshi, Chief Financial Officer	8%
Shri Navlesh Kuma, Chief Executive Officer*	NA
Mrs. Sarika Singh, Company Secretary**	NA

Note: \*Shri Navlesh Kumar was appointed on 21.05.2018 and \*\*Mrs. Sarika Singh was appointed on 13.08.2018

Note:<sup>§</sup> Mrs. Nilima Mansukhani Appointed as Independent Director w.e.f from 21/05/2018.

3. The percentage increase in the median remuneration of employees in the financial year was 1.53%.
4. The Company has 57 permanent employees on the rolls of the Company as on March 31, 2019
5. Average percentile increase in salaries of Employees, other than managerial personnel, during the year under review was (16.05%), whereas average percentile increase in salaries of Managerial Personnel during the year under review was Nil.
6. It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors  
of **Kesar Terminals & Infrastructure Limited**

**H R KILACHAND**  
Executive Chairman  
DIN: 00294835

Place: Mumbai  
Date: 13.08.2019



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **BULK LIQUID STORAGE SCENARIO**

The Bulk Liquid storage and handling industry in the private sector, acts as a logistic partner for both primary manufacturers and downstream units in various industries, such as petrochemicals, chemicals, synthetic fiber manufacturing, edible / non-edible vegetable oil refinery, power generation, food processing, pharmaceuticals etc. It also caters to the needs of the traders of chemicals and edible/non-edible oils who import/export large parcels of these liquids.

Indian Chemical Industry has a dominant role as a manufacturer of various chemicals for domestic consumption as well as for exports, particularly to the European market where there are restrictions for manufacture of a lot of chemicals on safety, health and environment consideration.

This industry is further poised for growth on a regular basis with emphasis on “Make in India ‘ programme of the govt. of India. The capacity growth planned for major ports in Indian would well support handling of the increasing volumes on year on year basis.

In the recent years domestic oil companies in the private sector have also been hiring a lot of tank capacity at various ports from private players in the industry to optimize their distribution costs of Petrol and Diesel through retail & consumer outlets. This trend will continue and volumes will increase on a regular basis. Expansion of domestic refinery capacity is a must for meeting country’s increasing requirement of petroleum products and such expansion will fuel the demand for more tank capacities at all port locations.

### **INDUSTRY STRUCTURE & DEVELOPMENT**

Increasing urbanization and rise in per capita disposable income is resulting in a strong growth outlook for several key end use industries. This is going to positively impact the growth in Indian liquid bulk industry. Going ahead, liquid bulk trade volumes are set to grow at a rapid pace. The Government’s thrust towards domestic manufacturing is expected to redefine the product flow patterns and to address the mismatch of production versus domestic demand, the export volumes will also keep on increasing.

Sooner than later India will have to permit free trading of petroleum products by international petroleum companies and they would require huge tank capacities at major ports. Such companies would shift large volumes of cargo for trading from Far East and Arabian/Persian Gulf coast to cater to requirements in southern hemisphere once adequate port facilities are developed in India.

### **OPPORTUNITIES & THREATS**

As earlier mentioned the Central Government is taking a number of progressive steps which would promote the growth of Indian liquid bulk industry.

The Company has immediate plans to create tank capacity in Kakinada in Andhra Pradesh and warehousing facilities for goods and empty containers in Pipavav in Gujarat. In Pipavav a container repair facility is also being planned.

The 100% percent subsidiary of the Company, Kesar Multimodal Logistics Ltd. [KMLL] has commenced operation in 2016-17 after erecting the facilities of Phase I of the project and has shown marked improvement in the year under review compared to the 2 previous years. It is expected the revenue will see a quantum jump in 2019-2020 adding to the bottom line of the company.

### **PERFORMANCE**

The Company as on date operates only in one segment i.e bulk liquid storage facility, the revenues of which for the current year stood at ₹ 3700.77 lac as against ₹ 4163.21 Lac previous year. The Total Comprehensive Income for the year showed decrease of 5.55% from ₹ 1955.86 Lac last year to ₹ 1847.37 lac in the current year.

### **RISKS AND CONCERNS**

Every business is exposed to a certain amount of risk and concerns some of which may be regulatory or change in policy pertaining to the business, economic parameters, trade policy and geo-political factors, market risk, governmental clearances and approvals, credit risk, which are difficult to foresee. Currently, the Company derives its major share of revenue from its Bulk Liquid Terminals at Kandla, Gujarat. Since, the Company is majorly dependent on these Terminals for its revenues, it is exposed to specific risks that are particular to its business and environment in which it operates. The Company manages these risks by following business and risk mitigation practices. The subsidiary company has plenty of opportunity to grow with the liberalization of Tax systems in India and ever growing containerization of domestic and export cargo for speedy distribution through the vast rail net work of Indian Railways. Once the company is able to introduce ‘the first and last mile connectivity’ the business volumes will steeply go up and so also the operating margins.

# Annual Report 2018-2019

## **INTERNAL CONTROL SYSTEM**

The Company has an appropriate internal control system for its various functions with the ultimate objective of improving the efficiency of operations, better financial management and compliance with all regulations and applicable laws.

The Company has an internal Audit Cell and has also appointed an Internal Auditor [External]. All operating parameters are well defined and monitored periodically. The detailed internal audit reports are discussed at length at various levels and thereafter the said reports are also placed before the Audit Committee for review and discussion. Further, the Company has an Independent Internal Auditor [External] M/s Ashok Jayesh & Associates to check the Internal Audit functions of the Company.

## **FINANCIAL PERFORMANCE**

The information relating to the financial performance of the Company is provided in the Directors' Report.

## **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The Company firmly believes that trained, talented and engaged employees are the critical differentiators and provide competitive advantage for sustaining and growing the business in the intensified spiral of global competition. As such, the Company continues its focus on high performance, talent retention, employee engagement and focused approach for smooth organizational work flow. The Company has a total strength of 57 people as at 31.03.2019.

## **FORWARD LOOKING STATEMENT**

The above Management Discussion and Analysis Report contain "forward looking statement" within the meaning of applicable laws, and regulations and is futuristic in nature. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, market position, expenditures and financial results are forward looking statements. The Company's actual results, performance or achievement could thus differ materially from those projected in any such forward looking statements. Investors are requested to make their own independent judgments before taking any investment decisions and the Company assumes no responsibility.

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## CORPORATE GOVERNANCE REPORT

### 1. Company's philosophy on Code of Governance:

The Company's philosophy on Corporate Governance stresses the importance of transparency, accountability and protection of shareholder interests. The Board oversees periodic review of business plans, monitors performance and ensures compliance of regulatory requirements.

### 2. Board of Directors:

Composition of the Board

The Composition of the Board of Directors is in conformity with the stipulation laid down in the Code of Corporate Governance prescribed by the Securities and Exchange Board of India (SEBI) (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Board includes reputed individuals with considerable professional expertise from fields like finance, legal, commercial, business administration and other related fields, who, not only bring a wide range of experience and expertise, but also impart the desired level of independence to the Board.

The Composition and Category of Directors is as follows:

Name of Directors	Category
Shri H R Kilachand (DIN:00294835)	Executive Chairman
Shri A S Ruia (DIN: 00296622)	Independent Director
Shri J N Godbole (DIN: 00056830)	Independent Director
Shri R S Loona (DIN: 02305074)	Independent Director
Shri J K Devgupta (DIN: 00515391)	Non-Executive Director
Smt. Nilima Mansukhani (DIN:06964771)	Independent Director (w.e.f. 21.05.2018)

Attendance of each Director at the Board Meetings held during 01.04.2018 to 31.03.2019, the last Annual General Meeting held on 27.09.2018 and the number of other Directorships & Chairmanship/ Membership of Committees of each Director in various Companies & Shareholding of Non-Executive Directors are as under:

Name of the Director	No. of Shares held by Non Executive Directors	Attendance Particulars							No. of other Directorships and Committee Membership/ Chairmanship		
		Out of 6 Board Meetings	Out of 5 Audit Committee Meetings	Out of 3 Nomination & Remuneration Committee Meeting	Ind. Dir. Meetings	CSR Meeting	Sitting Fees paid (₹)	Last AGM	Other Directorships#	Committee Memberships \$	Committee Chairmanships
Shri H R Kilachand Promoter - Executive Chairman	4,98,738	6	5	3	N.A	1	--	Yes	2	4	-
Shri A S Ruia Independent Director	1,456	6	5	3	1	0	3,00,000	Yes	3	3	3
Shri J N Godbole Independent Director	Nil	6	5	3	1	1	3,20,000	Yes	7	9	4
Shri R S Loona Independent Director	Nil	6	5	3	1	1	3,20,000	Yes	3	2	2

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Name of the Director	No. of Shares held by Non Executive Directors	Attendance Particulars							No. of other Directorships and Committee Membership/ Chairmanship		
		Out of 6 Board Meetings	Out of 5 Audit Committee Meetings	Out of 3 Nomination & Remuneration Committee Meeting	Ind. Dir. Meetings	CSR Meeting	Sitting Fees paid (₹)	Last AGM	Other Directorships#	Committee Memberships \$	Committee Chairmanships
Shri J K Devgupta Non-Executive Director	291	5	N.A	N.A	N.A	1	1,20,000	Yes	-	-	-
Smt Nilima A Mansukhani Independent Director		5	1	N.A	1	0	1,40,000	Yes	1	3	-

# Excludes Private Limited Companies, Foreign Companies and Companies under Section 8 of Companies Act, 2013, trusts and alternate directorships as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

\$ Only Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

Names of the listed entities where the said persons are Directors and the category of their directorship are as follows:

Name of Directors	Name of other listed entities in which he is Director	Category of Directorship
Shri H R Kilachand	Kesar Enterprises Limited	Managing Director
Shri A S Ruia	Kesar Enterprises Limited	Independent Director
Shri J N Godbole	(i) J. K. Cement Limited	Independent Director
	(ii) Emami Paper Mills Limited	
	(iii) Gujarat Alkalies and Chemicals Limited	
	(iv) Saurashtra Cement Limited	
	(v) Zuari Agro Chemicals Limited	
	(vi) Zuari Global Limited	
Shri R S Loona	NIL	N.A
Smt Nilima A Mansukhani	Supreme Infrastructure India Limited	Independent Director
Shri J K Devgupta	NIL	N.A

As detailed in the table, none of the Directors hold directorships in more than 20 Companies (including limit of maximum directorship in 10 Public Companies) pursuant to the provisions of Section 165 of the Companies Act, 2013 ('Act'). Further, in compliance with Regulation 17A of the SEBI Listing Regulations, none of the Independent Directors hold directorships in more than seven listed companies. Further, none of the Directors who serves as Whole-time Director/Managing Director in any listed entity serves as an Independent Director in more than three listed entities. None of the Directors are members of more than ten Committees of the prescribed nature or holds Chairmanship of more than five such committees across all listed or unlisted public limited companies in which they are Directors thereby complying with the provisions of Regulation 26 of the SEBI Listing Regulations.

All the Independent Directors of the Company have provided declaration to the Board confirming satisfaction of the conditions of their independence as laid down under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Regulation 16(1)(b) of the Listing Regulations.

During the year under review the shareholders of the Company approved the continuation of the directorships of Shri A S Ruia beyond April 1, 2019 by passing the Special Resolutions with requisite majority through the conduct of postal ballot process.

# **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

The Board on the recommendation of the Nomination & remuneration Committee reappointed Shri A S Ruia, Shri J N Godbole and Shri R S Loona as independent directors of the Company for a further term of 5 years subject to approval of member in the AGM.

The Board on the recommendation of the Nomination & remuneration Committee has reappointed Shri J K Devgupta as Non Executive Non Independent Director of the Company subject to approval of member in the AGM. The Brief resume of the director seeking reappointment is give in the notice of the AGM

The summary of key skills and attributes, which are taken into consideration while nominating candidates to serve on the Board of the Company are Executive Leadership, Strategic Advisor, Public and Regulatory Policy, Legal, Corporate Governance, Risk and Compliance.

Certificate as required under Part C of Schedule V of Listing Regulations received from M/s. Ragini Chokshi & Co, Practising Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI / Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at its meeting held on 13.08.2019. The Certificate is enclosed at the end of corporate governance report.

## **Inter-se relationships among Directors**

None of the Directors of the Company are related to each other.

## **Separate Meeting of Independent Directors**

Separate meeting of the Independent Directors of the Company was held on 14th February, 2019 without the presence of the Executive Chairman, & Non executive Director of the Company. The meeting was attended by all the Independent Directors. Performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman were reviewed.

## **Familiarisation Programme for the Directors**

The Company has a familiarisation programme for the Directors, including the Independent Directors, with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc. As required under Regulation 46 of the Listing Regulations, The detail of Familiarization Programme is disclosed on the website: <https://www.kesarinfra.com/policies>.

## **Board Meetings held and the dates thereof:**

During the year, 6 Board Meetings were held on 21.05.2018, 13.06.2018, 07.08.2018, 27.09.2018, 13.11.2018 & 14.02.2019. The gap between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days. None of the Directors hold the office of Director in more than the permissible number of Companies under the Act or Regulation 25 & 26 of the SEBI (LODR) Regulations, 2015.

## **Board Committees**

The Board has constituted the required Committee(s) of Directors with delegation of powers. The Secretary of the Company acts as the Secretary to the Committees. Each Committee has its purposes, goals and responsibilities. These Committees comprise mainly of Independent Directors who as per the terms of reference oversee the Committee's function and executes its duties and responsibilities. The details of the Committees constituted by the Board are as under:

### **3. Audit Committee:**

As per section 177 of the Act & Regulation 18 of the SEBI (LODR) Regulations, the Company has constituted an Audit Committee.

#### **Composition**

The Audit committee was reconstituted on 13.11.2018. As on 31.03.2019, the Audit Committee comprises of four (5) Directors of whom four (4) are Independent Directors and one (1) is Executive Director.

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The Committee is chaired by an Independent Director.

Shri A S Ruia,	Independent Director	- Chairman
Shri J N Godbole,	Independent Director	- Member
Shri R S Loona,	Independent Director	- Member
Shri H R Kilachand	Executive Chairman	- Member
Mrs. Nilima Mansukhani [w.e.f.13.11.2018]	Independent Director	- Member

## Meetings & Attendance

During the year, 5 meetings of the Audit Committee were held on 21.05.2018, 13.06.2018, 07.08.2018, 13.11.2018 & 14.02.2019 with a time gap between 2 meetings of less than 120 days. The attendance of the Members is mentioned in the table of para 2 above. As required, the CFO, Internal Auditor & Statutory Auditors or their representatives remained present as an Invitee in such Meetings. The Company Secretary acts as the Secretary of the Audit Committee.

The Company has a full-fledged Internal Audit Department which performs a periodical internal audit of various functions of the Company. The reports of the Internal Audit Department are placed before the Audit Committee along with the comments of the management on the action taken to remedy any deficiencies that may be observed on the working of the various departments of the Company. In addition the Company has appointed M/s. Ashok Jayesh & Associates, Chartered Accountants as Independent Internal Auditor [External].

## Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
3. Approval of payment to the Statutory Auditors for any other services rendered by them.
4. Reviewing with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by the Management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft Audit Report, if any.
5. Reviewing, with the Management, the Quarterly Financial Statements before submission to the Board for approval.
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the Auditor's independence and performance, and effectiveness of the audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing with the Management, the performance of the Statutory and Internal Auditors and adequacy of the internal control system.
13. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with the Internal Auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussions with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of the Chief Financial Officer (CFO) (i.e. Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### 4. Nomination & Remuneration Committee:

The Nomination & Remuneration Committee was reconstituted on 20.12.2017. As on 31.03.2019 the Committee comprises of four (4) Directors. Three (3) are Independent Directors and one is Executive Director. The Committee is chaired by an Independent Director. Three meetings of the Committee were held on 21.05.2018, 07.08.2018 & 14.02.2019. The composition of the Nomination and Remuneration Committee is in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. One-half of the Members of the Committee are Non-Executive Independent Directors.

Shri R S Loona,	Independent Director	– Chairman
Shri A S Ruia,	Independent Director	– Member
Shri J N Godbole,	Independent Director	– Member
Shri H R Kilachand	Executive Chairman	– Member

#### Terms of reference:

- To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- To evaluate the performance of the members of the Board and provide the necessary report to the Board for further evaluation of the Board.  
To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to the Key Managerial Personnel and Senior Management, a reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.

# Annual Report 2018-2019

- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

## Remuneration Policy for Directors

### a) Remuneration to Executive Chairman / Director / Whole-Time Director / Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation / Commission / Incentive etc. to be paid to Executive Chairman / Director / Whole-time Director / Managing Director, KMP and Senior Management Personnel etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

### b) Remuneration to Non- Executive / Independent Director:

The Non-Executive / Independent Director may receive compensation / commission as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

## Remuneration of Executive Director:

The details of remuneration paid to the Executive Directors for the financial year ended 31.03.2019:

(In ₹)

Name	Remuneration inclusive of perquisites
H R Kilachand	89,91,000

The Board of Directors at their meeting held on 13.08.2019 have approved payment of incentive of ₹35.00 lakhs for the financial year 2018-19 to Shri H R Kilachand.

## Remuneration of Non Executive/ Independent Director:

The details of remuneration paid to the Non-Executive Directors for the financial year ended 31.03.2019:

Name	Sitting Fees ₹	Total ₹
Shri A S Ruia	3,00,000	3,00,000
Shri J N Godbole	3,20,000	3,20,000
Shri R S Loona	3,20,000	3,20,000
Shri J K Devgupta	1,20,000	1,20,000
Smt. Nilima Mansukhani	1,40,000	1,40,000

The Board of Directors at their meeting held on 13.08.2019 have approved payment of commission of @ ₹ 2.00 lakhs to each of Independent Directors for the financial year 2018-19.

## Performance evaluation of Directors and criteria for Independent Directors

The Board carried out the evaluation of the performance of the Board and Committees of the Board. Further, in accordance with Schedule IV of the Companies Act, 2013 and the Listing Regulations, performance evaluation of the Independent Directors was done by the entire Board excluding the Director being evaluated and included the performance of the Directors and fulfillment of the independence criteria and their independence from the management. Feedback was sought from each Director by way of structured questionnaires, based on criteria approved by the Nomination and Remuneration Committee, for evaluation of performance of the Board, Committees of Board and Individual Directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria approved by the Board. The Directors expressed their satisfaction with the evaluation process.



# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## 5. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee is constituted in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Chairman of the Committee is a Non Executive Director.

### The Stakeholders' Relationship Committee comprises of:

Shri A S Ruia,	Independent Director	- Chairman
Shri R S Loona,	Independent Director	- Member
Shri H R Kilachand	Executive Chairman	- Member

The function of the Stakeholders' Relationship Committee is to strengthen the investor relations. The Committee looks into redressal of shareholders' complaints and proper and timely attendance on the investor's grievances. The key responsibilities of the Committee are to look into: -

- (i) Redressal of Shareholders' / Investors' complaints.
- (ii) Non-receipt of dividend warrants, Annual Report of the Company; and
- (iii) Carrying out any other function as prescribed under in the SEBI Listing Regulations. The Committee has periodic interactions with the representatives of the Registrar and Transfer Agent of the Company. During the financial year ended 31.03.2019 no meeting of Stakeholders' Relationship Committee was held.

During the year ended 31.03.2019, the Company had received complaints / grievances from its Shareholders, which had been duly resolved to the satisfaction of the shareholders and none of them were pending as on 31.03.2019. Mrs. Sarika Singh was the Compliance Officer of the Company as on 31.03.2019.

## 6. Share Transfer Committee

In addition to the Stakeholders' Relationship Committee, the Board has constituted another committee referred as the Share Transfer Committee comprising of members from the senior management to approve the transfer of equity shares of the Company. The members of the Share Transfer Committee are Shri H R Kilachand, Executive Chairman, & Mrs. Sarika Singh, Company Secretary. There were nine meetings held during the year ended 31<sup>st</sup> March 31, 2019. There are no pending share transfers as on 31.03.2019.

## 7. Corporate Social Responsibility [CSR] Committee:

As the Company meets with one of the criteria of Section 135(1) of the Companies Act, 2013, it has constituted a CSR Committee. The Committee was reconstituted on 20.12.2017. The composition of the CSR Committee formed to achieve the CSR objectives is as below:

Name of the Member	Composition
Shri J N Godbole [Independent Director]	Chairman
Shri R S Loona [Independent Director]	Member
Shri J K Devgupta Non Executive Director	Member
Shri H R Kilachand Executive Director	Member

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The Company has formulated the CSR policy, which is uploaded on the website: <https://www.kesarinfra.com/policies>. During the year one meeting of the CSR committee was held on 26.03.2019.

## 8. Risk Management Committee [RMC]:

The Risk Management Committee is constituted to identify potential business and operational risks, lay down procedures to review the risk assessment and minimization procedures, and is responsible for framing, implementing and monitoring the risk management plan of the Company.

The Chairman of the Committee is a member of the Board of Directors of the Company. The Risk Management Committee comprises of:

Shri H R Kilachand	–	Chairman of the Committee
Shri J K Devgupta	–	Member
Shri V J Doshi	–	Member

# Annual Report 2018-2019

## 9. General Body Meetings:

i. Location and time where the last three Annual General Meetings were held:

AGM	FINANCIAL YEAR ENDED	DATE	LOCATION	TIME	PARTICULARS OF SPECIAL RESOLUTION PASSED
10th	31.03.2018	27.09.2018	M. C. Ghia Hall	3:30 p.m	1. Resolution under sections 196, 197 and Schedule V of the Companies Act, 2013, for the appointment of Shri H R Kilachand (DIN: 00294835) as a Whole-Time Director designated as "Executive Chairman" of the Company. 2. Ratification of appointment of Shri J K Devgupta from 23.11.2017 to 13.02.2018.
9th	31.03.2017	12.09.2017	M. C. Ghia Hall	3:30 p.m	Resolution u/s 20 of the Companies Act, 2013 authorising Company to charge for service of Documents to members of the Company.
8th	31.03.2016	03.08.2016	M. C. Ghia Hall	3:30 p.m	1. Appointment of Shri R H Kilachand as Executive Director. 2. Alteration of Capital Clause of the Memorandum of Association for sub division of the face value of Equity Shares of the Company of ₹ 10/- per share to ₹ 5/- per share. 3. Resolution u/s.188 approving Related party transactions up to an amount not exceeding ₹ 79 crore from 01.04.2016 to 31.03.2017.

## 10. During the year under review, the Company approached the members through postal ballot for one special resolutions, details of which are given below :

Date of Postal Ballot Notice: 14.02.2019

Voting Period: 24.02.2019, to 25.03.2019

Date of declaration of results: 25.03.2019

Special Resolution	No. Of valid votes received	No. and % of votes in favour	No. and % of votes against
Continuation of directorship of Shri A S Ruia	70,34,011	70,30,982 (99.95)	0.0431 (0.40)

Procedure for postal ballot: In compliance with Section 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules and the Listing Regulations, the Company provided electronic voting facility to its members. The members had the option to vote either by postal ballot or through remote e-voting. The Company dispatched the postal ballot notices and forms along with the postage pre-paid business reply envelopes to its members whose names appeared on the register of members / list of beneficiaries as on the cut-off date. The postal ballot notice was sent to the members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) or with the Company's Registrar and Share Transfer Agent (in case of physical shareholding) and through courier to the members whose email ids were not so registered. The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and the applicable Rules. M/S. Ragini Chokshi & Co Practising Company Secretaries was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner. The Scrutinizer submitted his report to the Executive Chairman, after completion of scrutiny and the consolidated report of the remote e-voting and voting by postal ballot was then announced by the Executive Chairman.

## 11. Disclosures:

- All transactions entered into during the financial year 2018-19 with Related Parties as defined under the Companies Act were in the ordinary course of business and on an arms length basis. The Material Related Party transactions, i.e. no transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions with Kesar Multimodal Logistics Ltd as required under Section 134(3) of the Companies Act in Form

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

AOC 2 is not required to be annexed to the Directors' Report. The Company has given in the notes to accounts, a list of related parties as per Indian Accounting Standard 24 and the transactions entered into with them.

- The Company was imposed fine for delay in submission of financial results for the quarter & year ended 31.03.2018 by BSE Limited (BSE) & National Stock Exchange of India Ltd(NSE). The audited financial results for the quarter and year ended 31<sup>st</sup> March, 2018 pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were filed by the Company on June 13, 2018 as against the due date of 30<sup>th</sup> May, 2018 with BSE Limited & National Stock Exchange of India Ltd. The abovementioned results could not be prepared within the stipulated timelines due to first time implementation of Ind AS. The Company had paid penalty of ₹ 82,600/- to National Stock Exchange of India Ltd.
- The company has laid down procedures to inform Board members about risk assessment and minimization. These procedures are periodically reviewed to ensure control of risk through a properly defined framework.
- Whistle Blower Policy / Vigil Mechanism

In staying true to our values of Strength, Performance and Perseverance, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any.

The Policy ensures that strict confidentiality is maintained while dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. We confirm that during the financial year 2018-19, no Employees of the Company was denied access to the Audit Committee.

The details of Whistle Blower Policy are available on the website: <https://www.kesarinfra.com/policies>.

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud/ misconduct on: E-Mail: [headoffice@kesaridia.com](mailto:headoffice@kesaridia.com) Tel: 022-22851737.

- Certification: The requisite certification from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certifying inter alia that the Financial Statement do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs, as required under Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been placed before the Board of Directors of the Company and annexed to this report.
- The Company has complied with all applicable mandatory requirements of the SEBI (LODR) Regulations 2015 A certificate from M/s. Ragini Choshi & Co Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated there under is annexed to this Report.

## 12. Means of communication:

The Board takes on record the Unaudited Quarterly Financial Results and the Audited Financial Results in the prescribed format of the stock exchange and forthwith upload / send copies of the results to the Bombay Stock Exchange and National Stock Exchange of India Ltd. respectively where the shares of the Company are listed. The financial results of the Company are published in the "Free Press Journal" in English and "Navshakti" in Marathi newspapers within 48 hours of the conclusion of the meeting of the Board in which they are approved.

The results and all other official news releases are displayed on the websites of the Stock Exchanges: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also on the website of the Company, viz. <https://www.kesarinfra.com/copy-of-results>.

## 13. Recommendations of Committees of the Board

There were no instances during the financial year 2018- 19 wherein the Board had not accepted recommendations made by any Committee of the Board.

## 14. Total fees paid to Statutory Auditors of the Company

Total fees paid for all services by Kesar Terminals & Infrastructure Ltd. to Haribhakti & Co LLP and all entities in the network firm/ network entity of which the statutory auditors are a part:

Particulars	Amount (₹in lakhs)
Audit fees	₹ 5.50
Towards Consultancy for various Company Law Matters.	₹ 0.50
Other Fees paid to firms in the network entity of which Haribhakti & Co LLP is a part of	NIL
<b>Total</b>	<b>6.00</b>

# Annual Report 2018-2019

## 15. General Shareholders information:

a.	<b>Annual General Meeting</b>	
	Day	: <b>Thursday</b>
	Date	: <b>19<sup>th</sup> September, 2019</b>
	Time	: <b>3:30 p.m.</b>
	Venue	M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001.
b.	Date of Book Closure	: <b>Thursday 12<sup>th</sup> September, 2019 to Thursday, 19<sup>th</sup> September, 2019</b>
c.	Dividend Payment Date	: <b>30<sup>th</sup> September, 2019</b>
d.	Financial Year	: From 1 <sup>st</sup> April of every year to 31 <sup>st</sup> March of the next year.
e.	Next Financial Year ending	: 31 <sup>st</sup> March, 2020
f.	Next Annual General Meeting	: By 30th September, 2020
g.	<b>Financial Reporting for the year 2019-20</b> For 1st quarter ended 30 <sup>th</sup> June, 2019 For 2nd quarter ending 30 <sup>th</sup> September, 2019 For 3rd quarter ending 31 <sup>st</sup> December, 2019 For 4th quarter ending 31 <sup>st</sup> March, 2020	: By 14 <sup>th</sup> August, 2019 By 14 <sup>th</sup> November, 2019 By 14 <sup>th</sup> February, 2020 By 30 <sup>th</sup> May, 2020
h.	Listing on Stock Exchange	: Bombay Stock Exchange Ltd., Mumbai (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. National Stock Exchange of India Ltd., Mumbai(NSE) 5th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. The Company has paid annual listing fees due to BSE and NSE for the year 2019-2020.
i.	Stock Exchange Code Number	: BSE Scrip Code : 533289 NSE Symbol : KUIL
j.	Demat ISIN numbers in NSDL & CDSL	: INE096L01025
k.	Commodity price risk or foreign exchange risk and hedging activities	: NIL
l.	Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity: The Company has not issued any GDRs / ADRs / warrants or any other convertible instruments.	: NIL
m.	Disclosure with respect to demat suspense account/ unclaimed suspense/c	: NIL
n.	Registered Office	: Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai-400020.
o.	Plant Locations	: Terminals I & II at Kandla, Gujarat.

<b>Address for correspondence by the Shareholders of the Company:</b>	
<b>M/s. Sharex Dynamic (India) Pvt. Ltd.</b> <b>Registrar &amp; Share Transfer Agents</b> C-101, 247 Park, LBS Marg, Vikhroli West Mumbai-400083. <b>Tel.:28515606/ 28515644 ; Fax: 2851 28 85</b> <b>Email: sharexindia@vsnl.com</b>	<b>Kesar Terminals &amp; Infrastructure Limited.</b> Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai-400020. <b>Tel: 22042396 / 22851737; Fax: 22876162</b> <b>Email:headoffice@kesarindia.com</b>

### Share Transfer System:

Trading in equity shares of the Company is permitted only in dematerialized form. The shares sent for transfer are registered and returned within the time limits Pursuant to the SEBI (LODR) Regulations 2015 certificates on half yearly basis, have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company. Pursuant to the SEBI (Depositories and Participants) Regulation, 1996, certificates have also been received from the Company Secretary in Practice for timely dematerialization of the shares of the Company and for conducting of Reconciliation of Share Capital Audit of the Company.

## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

SEBI vide its notification dated June 8, 2018 notified SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 and SEBI (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2018 and amendment to Regulation 40 of the Listing Regulations and Clause 5(c) of Schedule III of the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. These amendments have mandated that the transfer of securities would be carried out only in dematerialized form.

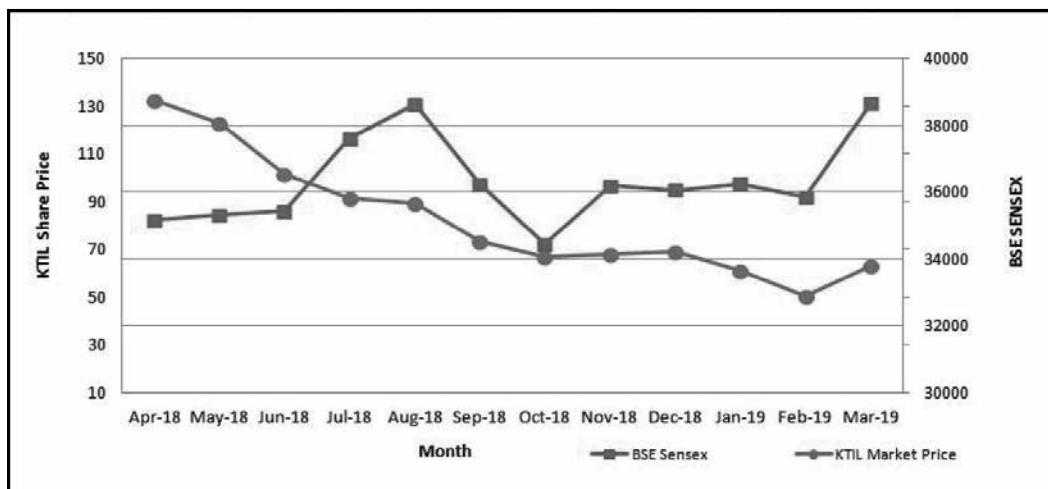
The Company had sent 3 (three) reminders to those shareholders holding shares in physical form advising them to dematerialise their holding. Request for effecting transfer of securities shall not be processed by the Company or Shares (India) Private Limited, unless the securities are held in dematerialized form with effect from April 1, 2019. This restriction shall not be applicable to the request received for transmission or transposition of shares held in physical mode.

### **Stock Market Data:**

The monthly high/low quotation of shares traded on BSE & NSE is as follows:

MONTH	BSE		NSE	
	High	Low	High	Low
April, 2018	149.50	130.95	148.55	126.65
May, 2018	135.25	97.35	136.70	100.35
June, 2018	139.90	98.10	139.00	101.00
July, 2018	110.00	82.10	117.00	82.35
August, 2018	109.95	82.20	110.00	86.00
September, 2018	100.95	71.00	100.85	65.55
October, 2018	78.85	60.45	77.50	60.00
November, 2018	79.60	68.00	77.45	65.85
December, 2018	71.00	63.65	72.00	61.05
January, 2019	69.00	53.30	69.50	60.30
February, 2019	62.50	47.00	61.80	46.65
March, 2019	68.30	50.65	67.70	51.50

### *Performance of the share Price of the Company in comparison to the BSE Sensex*



# Annual Report 2018-2019

## Distribution of shareholding as on 31st March, 2019:

Shareholding in Nominal Value of ₹	Share Holders		Share Amount	
	No.	% of Holders	₹	% to Total
Upto - 5,000	6776	92.078	5842285	10.694
5,001 - 10,000	305	4.145	2180590	3.991
10,001 - 20,000	133	1.807	1869620	3.422
20,001 - 30,000	45	0.611	1088935	1.993
30,001 - 40,000	25	0.340	882335	1.615
40,001 - 50,000	19	0.258	868170	1.589
50,001 - 1,00,000	29	0.394	2021250	3.700
1,00,001 - and above	27	0.367	39879190	72.996
<b>Total</b>	<b>7359</b>	<b>100.00</b>	<b>54632375</b>	<b>100.000</b>

## Categories of Shareholders as on 31st March, 2019:

About 97.82% of the total shareholding in the Company representing 1,06,87,779 shares are held in dematerialized form.

	Category of Shareholder	No of Shares Held	No of Shares in Demat Form	%
<b>A.</b>	<b>Promoter &amp; its Group - Indian</b>	18,20,369	17,87,133	16.66
1	Individual / HUF			
	Bodies Corporate	47,27,245	47,27,245	43.26
	<b>Total Shareholding Promoter &amp; Group Total (A)</b>	<b>65,47,614</b>	<b>65,14,378</b>	<b>59.92</b>
<b>B.1</b>	<b>Public Shareholding – Institutions</b>			
a	Mutual Funds	145	0	0
b	Financial Institutions / Banks	1,581	573	0
c	Foreign Portfolio Investors	35,000	35,000	0.32
d	Venture Capital Fund	0	0	0
e	Insurance Companies	5,27,196	5,27,196	4.83
	<b>Sub-Total-B(1)</b>	<b>5,63,922</b>	<b>5,62,769</b>	<b>5.15</b>
<b>B.2</b>	<b>Non-Institutions</b>			
a	Individual Shareholders(share capital up to ₹ 2 lakhs.)	25,59,338	23,56,325	23.42
b	Individual Shareholders share capital above ₹ 2 lakhs.)	1,34,747	1,34,747	1.23
c	NBFCs Registered With RBI	0	0	0
d	Others			
	-HUF	1,97,357	1,97,357	1.81
	Clearing Members	77,034	77,034	0.71
	IEPF	82,515	82,515	0.76
	NRI	1,38,424	1,38,424	1.27
	Bodies Corporate	6,25,524	6,25,524	5.72
	IEPF	82,515	82,515	0.76
	<b>Sub-Total-B(2)</b>	<b>38,14,939</b>	<b>36,10,632</b>	<b>34.91</b>
e	<b>Total (B)=B(1)+B(2)</b>	<b>43,78,861</b>	<b>41,73,401</b>	<b>40.08</b>
	<b>Total (A+B)</b>	<b>1,09,26,475</b>	<b>1,06,87,779</b>	<b>100</b>

# **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

## **Guidance to Shareholders:**

1. The shareholders are requested to communicate their bank details, the change of address, if any, directly to M/s Sharex Dynamic (India) Pvt. Ltd., the Registrar & Share Transfer Agent of the Company located at the addresses mentioned in para 15 above.
2. In case of lost /misplaced share certificates, shareholders should immediately lodge a FIR / Complaint with the police and submit with the Company, original / certified copy of FIR / acknowledged copy of the complaint and inform the Company to stop transfer of the said shares.
3. SEBI vide its circular dated 07.01.2010 has made it mandatory to furnish a copy of PAN in the following cases:-
  - a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
  - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
  - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more Shareholders.
4. The Shareholder, whose signature has undergone any change over a period of time, is requested to lodge their new specimen signature duly attested by a bank manager.
5. Any Shareholder of the Company who has multiple folios in identical names are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.
6. Nomination: Section 72 of the Companies Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the will etc. it would therefore be in the best interest of shareholders holding shares in physical form, registered as a sole holder to make such nominations. Shareholders, who have not availed of the nomination facility, are requested to avail of the same by submitting the nomination form. This form will be made available on request. Shareholders holding shares in demat form are advised to contact their DP's for making nominations.
7. As required by SEBI, shareholders may furnish details of their bank account number and name and address of the bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.
8. Shareholders, holding shares in electronic format are requested to deal only with their depository participants in respect of any change of address, nomination facility and furnishing bank account number etc.
9. Shareholders, who have not encased their dividend warrants in respect of the dividend declared for the financial year 2011-2012 onwards, are requested to contact the Company and surrender their warrants for revalidation for payment. Shareholders are therefore requested to verify their records and send claims, if any, for the relevant years. The details of declared dividends are as under:

<b>Date of declaration</b>	<b>For the Financial Year</b>	<b>Rate of Dividend</b>	<b>Due date of transfer to IEPF</b>
14.09.2012	2011-2012	Final @ 25%	21-10-2019
11.07.2013	2012-2013	Final @30%	17-08-2020
12.02.2014	2013-2014	Interim @15%	21-03-2021
04.07.2014	2013-2014	Final @15%	10-08-2021
23.09.2015	2014-2015	Final@35%	30-10-2022
03.08.2016	2015-2016	Final@10%	09-09-2023
12.09.2017	2016-2017	Final@10%	19-10-2024
27.09.2018	2017-2018	Final@z20%	03-11-2025

10. Shareholders may note that unclaimed dividend for a period of seven years from the date it becomes due for payment, shall be transferred to "Investor Education and Protection Fund" (IEPF) in terms of Section 125 of the Companies Act, 2013 [erstwhile Section 205C of the Companies Act, 1956]. Thereafter, the shareholders will not be able to get the same from the Company.
11. Details of shares transferred to IEPF suspense account in the FY 2018-19:

<b>Financial Year</b>	<b>No. of Shareholders</b>	<b>No. of Shares transferred to IEPF</b>
2009-10	371	78991
2010-11	27	3524

# Annual Report 2018-2019

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
Kesar Terminals & Infrastructure Limited.

We have examined the compliance of conditions of Corporate Governance by Kesar Terminals & Infrastructure Limited, for the year ended on March 31, 2019, as stipulated in Regulation 17 to 27, Clauses (b) to (i) of Regulation 46 (2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with Stock Exchanges in India.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has in all material respect complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ragini Chokshi & Co.**

**Makarand Patwardhan  
(Partner)**

**C.P. No: - 9031  
FCS No: -11872**

**Place: Mumbai  
Date: 13.08.2019**

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## DECLARATION

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/Management Personnel for the Financial Year 2018-19.

**Place: Mumbai  
Date: 13.08.2019**

**H R Kilachand  
Executive Chairman  
DIN: 00294835**



# **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

## **CERTIFICATION**

### **Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Board of Directors

#### **Kesar Terminals & Infrastructure Limited**

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

We have reviewed financial statements and the cash flow statement of Kesar Terminals & Infrastructure Ltd (“the Company”) for the financial year ended March 31, 2019 and that to the best of our knowledge and belief:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) These statements together present a true and fair view of the Company’s affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
1. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.
  2. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
  3. We have indicated to the Auditors and the Audit committee:
    - (i) Significant changes in internal control over financial reporting during the financial year ended March 31, 2019;
    - (ii) Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
    - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’ internal control system over Financial Reporting.

**V J Doshi**  
**Chief Financial Officer**

**Navlesh Kumar**  
**Chief Executive Officer**

Place : Mumbai

Date : 13.08.2019

# Annual Report 2018-2019

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**KESAR TERMINALS & INFRASTRUCTURE LIMITED**  
ORIENTAL HOUSE,7 JAMSHEDJI TATA ROAD,  
CHURCHGATE MUMBAI MH 400020 IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KESAR TERMINALS & INFRASTRUCTURE LIMITED** having CIN L45203MH2008PLC178061 and having registered office at ORIENTAL HOUSE,7 JAMSHEDJI TATA ROAD, CHURCHGATE MUMBAI MH 400020 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	JAYANT NARAYAN GODBOLE	00056830	29/01/2010
2	HARSH RAJNIKANT KILACHAND	00294835	20/12/2017
3	ANILKUMAR SUSHILKUMAR RUIA	00296622	21/01/2008
4	JAYANTO KUMAR DEVGUPTA	00515391	22/05/2014
5	RAJINDER SINGH LOONA	02305074	01/06/2010
6	NILIMA ASHOK MANSUKHANI	06964771	21/05/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ragini Chokshi & Co.

Ragini Chokshi  
(Partner)  
C.P.NO. 1436  
FCS NO. 2390

Date: 13.08.2019  
Place: Mumbai

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Kesar Terminals and Infrastructure Limited Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of Kesar Terminals and Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

#### Emphasis of Matter

We draw attention to Note 29 to the standalone Ind AS financial statements regarding the Company's non-current investment in and other non-current loan to Kesar Multimodal Logistics Limited (KMLL), a wholly owned subsidiary company, aggregating ₹ 9,138.45 lakhs and ₹ 1,643.55 lakhs respectively as at March 31, 2019. The lender to KMLL has filed petition under Insolvency and Bankruptcy Code, 2016 in the National Company Law Tribunal for recovery of its dues from KMLL and has also invoked corporate guarantee issued by the Company. The net-worth of KMLL has been fully eroded. However, based on future projections of KMLL and its growth and business prospects, the management believes that the carrying value of the non-current investment and other non-current loan are good and recoverable. The matter of invocation of corporate guarantee is contested by the Company.

Our opinion is not modified in respect of this matter.

#### Other Information

1. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.
2. Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
3. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
4. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

# Annual Report 2018-2019

## **Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
  - e. The matter described under the Emphasis of Matter section of our report, in our opinion, may have an adverse effect on the functioning of the Company;
  - f. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
  - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 28 on Contingent Liabilities to the standalone Ind AS financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

**Sumant Sakhardande**

Partner

Membership No. 034828

Place : Mumbai

Date : May 16, 2019

# Annual Report 2018-2019

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kesar Terminals and Infrastructure Limited on the standalone Ind AS financial statements for the year ended March 31, 2019]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company except for the details given below:

Land/ Building	Total number of cases	Leasehold/ Freehold	Gross Block as on March 31, 2019	Net Block as on March 31, 2019
Land	3	Leasehold	NIL	NIL

The Leasehold land has been transferred from Kesar Enterprises Limited to the Company on account of scheme of demerger sanctioned by Hon'ble High Court of Bombay. However, Kandla Port Trust has raised a demand towards transfer fees for which Company has filed a writ petition with Hon'ble High Court of Gujarat. Refer Note no. 28 to the notes to standalone Ind AS financial statements.

- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) The Company has granted unsecured loans to its Subsidiary company, covered in the register maintained under section 189 of the Act.
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.
- (b) The said interest free loan is repayable after March 31, 2022. Accordingly, paragraph 3(iii)(c) of the Order is not applicable to the Company.
- (iv) Based on information and explanations given to us and on the basis of legal opinion obtained by the Company, in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, customs duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

- (b) According to the information and explanations given to us, the dues outstanding with respect to, income tax on account of any dispute, are as follows:

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Amount (₹ In lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>	<b>Remarks</b>
Income Tax Act, 1961	Income Tax	15.61	Assessment Year 2014-15	Commissioner of Income Tax (Appeals)	-

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to bank and does not have any loan or borrowing from financial institution, Government or debenture holder.
- (ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised. The company has not raised money by way of initial public issue offer and further public issue offer.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

**Sumant Sakhardande**

Partner

Membership No. 034828

Place : Mumbai

Date : May 16, 2019

# Annual Report 2018-2019

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kesar Terminals and Infrastructure Limited on the standalone Ind AS financial statements for the year ended March 31, 2019

### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Kesar Terminals and Infrastructure Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



# **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

## **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

**Sumant Sakhardande**

Partner

Membership No . 034828

Place : Mumbai

Date : May 16, 2019

# Annual Report 2018-2019

## STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	(₹ In Lakhs)	
		As at 31st March 2019	As at 31st March 2018
<b>I. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	2	2,868.71	2,972.80
(b) Capital work in progress	2	8.33	37.68
(c) Intangible assets	2	2.63	4.33
(d) Financial assets			
(i) Investments	3	9,138.50	8,422.64
(ii) Loans	4	1,643.98	1,446.82
(iii) Others	5	42.10	24.95
(e) Deferred tax assets (net)	6	707.70	529.08
<b>2 Current assets</b>			
(a) Inventories	7	8.03	10.16
(b) Financial assets			
(i) Trade receivables	8	564.96	363.61
(ii) Cash and cash equivalents	9	99.01	130.64
(iii) Bank balances other than cash and cash equivalents	10	21.15	38.27
(iv) Loans	11A	1.91	2.95
(v) Others	11B	1.57	0.21
(c) Other current assets	12	42.97	40.97
<b>TOTAL</b>		<b>15,151.55</b>	<b>14,025.11</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Share capital	13	546.32	546.32
(b) Other equity	14	12,921.78	11,206.14
<b>2 Liabilities</b>			
I Non-current liabilities			
(a) Financial liabilities			
Borrowings	15	171.04	781.26
(b) Provisions	16	54.57	46.76
II Current liabilities			
(a) Financial liabilities			
(i) Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		15.01	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		624.58	393.76
(ii) Other financial liabilities	18	472.19	429.84
(b) Other current liabilities	19	134.54	165.23
(c) Provisions	20	19.27	15.91
(d) Current tax liabilities (net)	21	192.25	439.89
<b>TOTAL</b>		<b>15,151.55</b>	<b>14,025.11</b>
Significant accounting policies	1		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI FRN NO.103523W / W100048

Sumant Sakhardande

Partner

Membership No. 034828

Place: Mumbai

Date: 16th May, 2019

For and on behalf of the Board of Directors

H R Kilachand

Executive Chairman

DIN 00294835

V J Doshi

Chief Financial Officer

A S Ruia

Director

DIN 00296622

Sarika Singh

Company Secretary

Place: Mumbai

Date: 16th May, 2019

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ In Lakhs)

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>I. Revenue:</b>			
Revenue from operations	22	3,700.77	4,163.21
Other income	23	348.27	345.71
<b>Total Income</b>		<b>4,049.04</b>	<b>4,508.92</b>
<b>II. Expenses:</b>			
Employee benefits expense	24	736.95	684.71
Finance cost	25	114.68	193.73
Depreciation and amortisation expense	2	163.42	169.82
Other expenses	26	1,127.78	1,463.80
<b>Total Expenses</b>		<b>2,142.83</b>	<b>2,512.06</b>
<b>III. Profit before tax (I-II)</b>		<b>1,906.21</b>	<b>1,996.86</b>
<b>IV Tax expense:</b>			
(a) Current tax		423.00	410.00
(b) Deferred tax including MAT credit entitlement		(178.74)	(152.41)
(c) Excess provision of earlier years written back		(185.12)	(204.02)
<b>V Profit for the year (III-IV)</b>		<b>1,847.07</b>	<b>1,943.29</b>
<b>VI Other comprehensive income</b>			
<b>A Items that will not be reclassified to profit or loss</b>			
(i) Measurements of defined employee benefit plans		0.42	17.73
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.12)	(5.16)
<b>B (i) Items that will be reclassified to profit or loss.</b>		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss.		-	-
<b>VII Total comprehensive income for the year (V + VI)</b>		<b>1,847.37</b>	<b>1,955.86</b>
<b>VIII Earnings per equity share of ₹ 5 each ;</b>	42		
Basic (₹)		16.90	17.79
Diluted (₹)		16.90	17.79
Significant accounting policies	1		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached  
For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI FRN NO.103523W / W100048

Sumant Sakhardande  
Partner  
Membership No. 034828

Place: Mumbai  
Date: 16th May, 2019

For and on behalf of the Board of Directors

H R Kilachand  
Executive Chairman  
DIN 00294835

V J Doshi  
Chief Financial Officer

A S Ruia  
Director  
DIN 00296622

Sarika Singh  
Company Secretary

Place: Mumbai  
Date: 16th May, 2019

# Annual Report 2018-2019

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	(₹ In Lakhs)	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>NET PROFIT BEFORE TAX</b>	<b>1,906.21</b>	<b>1,996.87</b>
<b>Non-cash adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expenses	163.42	169.82
Dividend Income	-	(0.01)
Interest Income	(320.19)	(299.99)
Interest and Finance Charges	114.68	193.73
Credit Balance written back	(3.12)	(36.71)
Profit on sale of Property, plant and equipment	(12.21)	-
Provision for Doubtful debts	4.11	(2.33)
Bad Debts	21.68	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,874.58</b>	<b>2,021.38</b>
<b>Movements in working capital:</b>		
Decrease in Inventories	2.12	1.41
(Increase)/Decrease in Trade Receivables	(227.14)	116.46
(Increase) / Decrease in Other Current Financial Assets	(1.36)	-
Decrease / (Increase) in Current Financial Assets Loans	1.04	(0.36)
(Increase) / Decrease in Other non current Financial assets	(17.58)	40.40
Increase in Other current assets	(2.01)	(3.75)
Increase in Other non current assets	(5.00)	(4.20)
Increase in Trade Payables	245.83	63.97
Increase / (Decrease) in Other Current Liabilities	21.12	(147.20)
Increase / (Decrease) in Current Provision	6.90	(4.69)
Increase / (Decrease) in Non Current Provision	7.81	(0.85)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,906.31</b>	<b>2,082.57</b>
Taxes Paid	(485.51)	(658.11)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,420.80</b>	<b>1,424.46</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of property, plant and equipment including intangible assets & capital work in progress	(38.01)	(86.44)
Sale of property, plant and equipment	21.95	-
Purchase of Investments	-	(866.50)
Loan to Subsidiary	(596.00)	(44.74)
Interest Received	8.59	29.70
Dividend Received	-	0.01
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(603.47)</b>	<b>(967.97)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of Borrowings	(621.24)	(760.72)
Proceeds from Borrowings	8.76	98.00
Dividend Paid	(110.09)	(54.96)
Dividend Distribution Tax Paid	(22.46)	(11.12)
Interest Paid	(121.06)	(198.42)
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<b>(866.09)</b>	<b>(927.22)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(48.76)</b>	<b>(470.73)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>168.92</b>	<b>639.64</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>120.16</b>	<b>168.91</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
CASH AND CASH EQUIVALENTS	99.01	130.64
OTHER BANK BALANCES *	21.15	38.27
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>120.16</b>	<b>168.91</b>

\* Other Bank balances includes Unclaimed Dividend which company can utilise only towards settlement of the respective unclaimed dividend.

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## STANDALONE CASH FLOW STATEMENT (Contd.)

**Note 1 :** The Cash Flow Statement has been prepared under the “Indirect Method” as set out in Indian Accounting Standard (Ind-AS 7 ) - Statement of Cash Flow.

**Note 2 :** The Amendments to Ind As 7 Cash Flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash flows changes, suggesting inclusion of reconciliation between the opening and closing balance in balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st april 2017 and the require disclosure is made below. There is no other impact on financial Statements due to this amendment.

### Reconciliation of Opening and Closing of Finance Activities of Cash Flow Statements.

PARTICULARS	As at March 31, 2018	Net Cash Flow	Non Cash Changes		As At March 31, 2019
			Fair Value Changes	Current/ Non Current Classification	
Borrowings Non current	781.26	(229.42)	-	(380.80)	171.04
Other Financial Liabilities	380.80	(383.06)	-	380.80	378.54
Borrowings current	-	-	-	-	-

Note : Figures in brackets are outflows

The accompanying notes are an integral part of the financial statements.

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The accompanying notes form an integral part of the consolidated financial statements

**As per our report of even date attached**

**For Haribhakti & Co. LLP**

**Chartered Accountants**

**ICAI FRN NO.103523W / W100048**

**Sumant Sakhardande**

**Partner**

**Membership No. 034828**

**Place: Mumbai**

**Date: 16th May, 2019**

**For and on behalf of the Board of Directors**

**H R Kilachand**  
**Executive Chairman**  
**DIN 00294835**

**V J Doshi**  
**Chief Financial Officer**

**A S Ruia**  
**Director**  
**DIN 00296622**

**Sarika Singh**  
**Company Secretary**

**Place: Mumbai**  
**Date: 16th May, 2019**

# Annual Report 2018-2019

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A : Equity Share Capital (Equity shares of ₹ 5 each issued, subscribed and fully paid) (₹ In Lakhs)

PARTICULARS	Numbers	Amount
Balance as at March 31, 2018	1,09,26,475	546.32
Changes in equity share capital during the year	-	-
<b>Balance at the March 31, 2019</b>	<b>1,09,26,475</b>	<b>546.32</b>

B : Other Equity (₹ In Lakhs)

PARTICULARS	Reserve and Surplus			Total Other Equity
	General Reserves	Retained Earnings	Other Comprehensive Income	
Balance as at March 31, 2018	2,974.99	8,233.48	(2.33)	11,206.14
<b>Total Comprehensive income for the year</b>				
Profit for the year	-	1,847.07	-	1,847.07
Other Comprehensive Income	-	-	0.30	0.30
Final Dividend Paid	-	(109.26)	-	(109.26)
Dividend Distribution Tax Paid	-	(22.46)	-	(22.46)
<b>Balance as at March 31, 2019</b>	<b>2,974.99</b>	<b>9,948.83</b>	<b>(2.03)</b>	<b>12,921.79</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI FRN NO.103523W / W100048

Sumant Sakhardande  
Partner  
Membership No. 034828

Place: Mumbai  
Date: 16th May, 2019

For and on behalf of the Board of Directors

H R Kilachand  
Executive Chairman  
DIN 00294835

V J Doshi  
Chief Financial Officer

A S Ruia  
Director  
DIN 00296622

Sarika Singh  
Company Secretary

Place: Mumbai  
Date: 16th May, 2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### Background :

The Company was incorporated on 21st January 2008. On 12th March 2010, the Hon'ble High Court of Bombay had passed an order pursuant to Section 391 to 394 of the Companies Act 1956, sanctioning the Scheme of Arrangement by way of Demerger for transfer of the Storage Division of Kesar Enterprises Limited (KEL) into the Company as a going concern with effect from 1st January 2009 (Appointed Date).

Pursuant to the Scheme of Demerger, in consideration of the transfer of Storage Undertaking into the Company, 47,53,113 Equity Shares of ₹ 10 each, fully paid up are issued and allotted on 1st June 2010 by the Company to the shareholders of Kesar Enterprises Limited (KEL) in the ratio of 10:7 i.e. for every 10 shares in KEL, 7 shares in the company.

The Company is mainly engaged in the business of renting of liquid storage tanks at Kandla and is in process of commencing its operation at Pipavav and Kakinada Port.

### 1. Significant Accounting Policies

#### A. Statement of Compliance with Ind-AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

#### B. Basis of Measurement

The financial statements have been prepared on historical cost basis except the following:

- Certain financial assets and liabilities are measured at fair value;
- Defined benefit plans- plan assets measured at fair value.

#### C. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period or the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period and there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

#### D. The functional currency of the Company is the Indian Rupee (₹). These financial statements are presented in Indian Rupees and all values are rounded to the nearest Lakhs, except when otherwise stated.

#### E. Use of Estimates

The preparation of financial statements in conformity with recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of the revenue and expenses during the reporting period and disclosures of contingent liabilities as of the date of the financial statements. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in notes to the financial statements.

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### Key accounting estimates :

#### a) **Income taxes :**

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

#### b) **Defined Benefit Obligation :**

The cost of the defined benefit gratuity plan and defined benefit leave encashment plan, the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary escalation and mortality rates, rates of employee turnover. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Salary escalation and gratuity increases are based on expected future inflation rates.

#### c) **Fair value measurement of financial instruments :**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### F. **Revenue Recognition:**

The Company derives revenue primarily from sale of services. The Company is engaged in the business of renting of storage tanks and warehousing. Effective April 01, 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) – "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 01, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets/liabilities have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services.

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Group performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2019**

3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance obligation is satisfied.

For performance obligation where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of services is recognised at a time on which the performance obligation is satisfied.

Revenue in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as 'unearned income' under liabilities.

Revenue is measured at the fair value of the consideration received or receivable. The amount recognised as revenue is exclusive of GST (Goods and Services Tax) and discounts.

Insurance Claims are recognised only when the claim is admitted/expected to be admitted and there is no uncertainty on receiving the claim.

Interest income is recognized using the effective interest rate method, taking into account the amount outstanding and the rate applicable.

**G. Property, Plant and Equipment**

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 01, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**H. Depreciation:**

- a) Depreciation on Plant and Machinery and Building has been provided on Straight Line Method based on remaining useful life of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- b) Depreciation on other assets has been provided on Written Down Value Method based on remaining useful life of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- c) For property, plant and equipment purchased / disposed off during the year, depreciation has been provided on pro-rata basis with reference to the useful life of the asset period, at the applicable rates.
- d) The estimated useful life of the property, plant and equipment are as given below :

Description of Asset	Useful Life
Computers	3 to 6 years
Office Equipment	5 Years
Furniture & Fixtures	10 Years
Roads	5 Years
Buildings	30 Years
Plant & Machinery	25 Years
Vehicles	8 Years
Leasehold Land	30 Years

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

- e) Depreciation on property, plant and equipment, whose actual cost does not exceed ₹ 5,000 is provided at the rate of hundred percent and is fully depreciated in the year of acquisition.
- f) Premium on Leasehold Land/Concession Premium is amortised over the period of the lease/Concession period.
- g) Depreciation on Intangible Assets representing computer software has been provided on Written Down Value Method based on remaining useful life. The useful life as estimated by the management for computer software is 6 years.
- h) The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed at each financial year end.

### I. Capital Work-in-Progress:

These are stated at cost to date relating to projects in progress, incurred during construction / pre-operative period (Net of income) incurred during the construction/ pre-operative period and the same is allocated to the respective property, plant and equipment on the completion of their construction.

### J. Inventories:

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### K. Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### L. Employee benefits:

#### Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be fully paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

#### Post-Employment Benefits

##### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

##### Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid at 15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Income Tax authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

### M. Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

#### - Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the reporting date.

#### - Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognized outside the Statement of Profit and Loss are recognized outside the Statement of Profit and Loss, either in other comprehensive income or in equity.

#### Minimum Alternate Tax (MAT)

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit become eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note on Accounting for credit available in respect of minimum alternative tax under the Income Tax Act, 1961 issued by ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT credit entitlement. The Company review the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period

### N. Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### O. Provisions:

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### P. Contingent Liabilities and Contingent asset :

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed, in the financial statements except there is a virtual certainty to receive the same.

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

### **Q. Leases:**

#### **Operating Lease**

##### **As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

##### **As a Lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### **R. Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value.

### **S. Impairment of Non-Financial Assets**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. An impairment loss is recognized in the Statement of Profit and Loss. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### **T. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial Instruments are further divided in two parts viz. Financial Assets and Financial Liabilities.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### Part I - Financial Assets

#### a) Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets which are not at fair value through the Statement of Profit and Loss, are adjusted to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

Financial Asset at amortised cost:

A Financial Asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income and the losses arising from impairment are recognised in the Statement of Profit and Loss.

#### Financial Asset at FVTOCI (Fair Value through Other Comprehensive Income)

A Financial Asset is classified as at the FVTOCI if following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows (i.e. SPPI) and selling the financial assets

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### Financial Assets at FVTPL (Fair Value through the Statement of Profit and Loss)

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Investment in subsidiaries is carried at cost in the financial statements.

### c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### d) Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

1. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
2. Financial assets that are debt instruments and are measured as at FVTOCI
3. Trade receivables or any contractual right to receive cash or another financial asset
4. Loan commitments which are not measured as at FVTPL
5. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk rather; it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

### Part II - Financial Liabilities

#### a) Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the Statement of Profit and Loss, loans and borrowings and payables.

#### b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through the Statement of Profit and Loss

Financial liabilities at fair value through the Statement of Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through the Statement of Profit and Loss is designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains / losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through the Statement of Profit and Loss.

#### Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities under borrowings. The dividends on these preference shares, if any are recognised in the Statement of Profit and Loss as finance cost.

### **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

### **c) De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **d) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **U. Foreign Currency Transactions**

Transactions in foreign currencies are accounted at the initially recorded exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year-end rates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit and loss. In case of forward contracts (non speculative), the premium or discount being the differences between the forward exchange rate and the exchange rate at the inception of the contract is recognized as expense or income over the life of the contract. The exchange difference either on settlement or translation is recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are reported using the exchange rate prevalent at the date of transaction.

### **V. Segment Reporting**

The Company is mainly engaged in Liquid Storage Business in India and there is no other reportable segment as required by Indian Accounting Standard 108.

### **W. Government grants and subsidies**

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is netted off with the related costs, which they are intended to compensate. Where the grant relates to property, plant and equipment, it is netted off with the specified property, plant and equipment if grants related to specific property, plant and equipment otherwise netted off on prorata basis to all eligible property, plant and equipment.

The loan or assistance is initially recognized and measured at fair value or nominal value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2019**

**Recent accounting pronouncements:**

**Ind AS 116, Leases:**

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

On completion of evaluation of the effect of adoption of Ind AS 116, the company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The company has elected certain available practical expedients on transition.

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 2 Property, Plant and Equipments, Capital Work in Progress and Intangible Assets (Owned, unless stated otherwise)

(₹ In Lakhs)

PARTICULARS	Gross Block			Accumulated Depreciation/Amortisation			Net Block	
	Balance as at 1st April, 2018	Additions	Disposals	Balance as at 1st April, 2018	Depreciation / amortization charge for the year	On Disposal/ Adjustment	Balance as at 31st March, 2019	Balance as at 31st March, 2019
(a) <b>Property, Plant and Equipments</b>								
(i) Land								
(1) Free Hold Land	498.32	-	-	-	-	-	-	498.32
(2) Lease Hold Land	259.05	-	-	20.32	11.89	-	32.21	226.84
(3) Lease Hold Land Premium	0.11	-	-	0.11	-	-	0.11	-
<b>Total</b>	<b>757.48</b>	<b>-</b>	<b>-</b>	<b>20.43</b>	<b>11.89</b>	<b>-</b>	<b>32.32</b>	<b>725.16</b>
(ii) Buildings (on Leased Land)	336.98	3.61	-	48.42	16.87	-	65.29	275.30
(iii) Plant and Equipment	2,109.55	48.10	-	221.01	109.80	-	330.81	1,826.84
(iv) Furniture and Fixtures	23.04	2.73	-	10.92	3.50	-	14.42	11.35
(v) Office Equipments	27.45	2.18	-	15.05	8.98	-	24.03	5.60
(vi) Vehicles	64.83	10.74	26.89	30.69	10.68	17.16	24.22	24.46
<b>Total (a)</b>	<b>3,319.33</b>	<b>67.36</b>	<b>26.89</b>	<b>346.52</b>	<b>161.72</b>	<b>17.16</b>	<b>491.09</b>	<b>2,868.71</b>
(b) <b>Capital Work In Progress</b> (Refer Note No 30)	37.68	-	29.35	-	-	-	-	8.33
(c) <b>Intangible Assets</b>								
Computer software	5.18	-	-	0.85	1.70	-	2.55	2.63
<b>Total (a+b+c)</b>	<b>3,362.19</b>	<b>67.36</b>	<b>56.24</b>	<b>347.37</b>	<b>163.42</b>	<b>17.16</b>	<b>493.64</b>	<b>2,879.67</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**

**2. Property, Plant and Equipments, Capital Work in Progress and Intangible Assets (Owned, unless stated otherwise)**

(FOR THE YEAR ENDED 31ST MARCH, 2018)

(₹ In Lakhs)

PARTICULARS	Gross Block		Accumulated Depreciation/Amortisation			Net Block
	Balance as at 1st April, 2017	Balance as at 31st March, 2018	Balance as at 1st April, 2017	Depreciation / amortization charge for the year	On Disposal/ Adjustment	
<b>(a) Property, Plant and Equipments</b>						
(i) Land						
(1) Free Hold Land	498.32	-	-	-	-	498.32
(2) Lease Hold Land	259.05	-	8.43	11.89	-	238.73
(3) Lease Hold Land Premium	0.11	-	0.11	-	-	-
<b>Total</b>	<b>757.48</b>	<b>-</b>	<b>8.54</b>	<b>11.89</b>	<b>-</b>	<b>737.05</b>
(ii) Buildings (on Leased Land)	336.98	-	27.34	21.08	-	288.55
(iii) Plant and Equipment	2,077.94	31.61	111.91	109.10	-	1,888.54
(iv) Furniture and Fixtures	23.04	-	6.40	4.52	-	12.12
(v) Office Equipments	19.69	7.76	6.40	8.65	-	12.40
(vi) Vehicles	52.29	12.54	16.96	13.73	-	34.14
<b>Total (a)</b>	<b>3,267.42</b>	<b>51.91</b>	<b>177.55</b>	<b>168.97</b>	<b>-</b>	<b>2,972.80</b>
<b>(b) Capital Work In Progress</b> (Refer Note No 30)	8.33	29.35	-	-	-	37.68
<b>(c) Intangible Assets</b>						
Computer software	-	5.18	-	0.85	-	4.33
<b>Total (a+b+c)</b>	<b>3,275.75</b>	<b>86.44</b>	<b>177.55</b>	<b>169.82</b>	<b>-</b>	<b>3,014.81</b>

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 3. INVESTMENTS

(₹ In Lakhs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
<b>Trade Investments (valued at cost)</b>		
<b>Unquoted Equity Instruments</b>		
<b>(a) Investment in Subsidiary Company</b>		
4,18,00,000 Equity Shares ( March 31, 2018 : 4,18,00,000) of ₹ 10/- each fully paid in Kesar Multimodal Logistics Limited (refer note no. 31)	4,180.00	4,180.00
Extent of Holding:- 100% ( March 31, 2018 : 100%) of total issued and paid up Equity Share Capital of Kesar Multimodal Logistics Limited		
3,48,30,000 Zero Coupon Redeemable Preference Shares (March 31, 2018: 3,48,30,000) of ₹ 10/- each fully paid in Kesar Multimodal Logistics Limited.	992.43	898.13
Extent of Holding:- 100% (March 31, 2018 : 100%) of total issued and paid up Zero Coupon Redeemable Preference Share Capital of Kesar Multimodal Logistics Limited		
Contribution towards Equity Capital (Gurantee and Interest on Preference Shares and unsecured Loan)	3,966.02	3,344.46
<b>(b) Other Investments</b>		
<b>Investments in Equity Instruments (Unquoted)</b>		
200 Shares of ₹ 25 each fully paid in Jain Sahakari Bank Ltd (March 31, 2018: 200 Shares)	0.05	0.05
{Aggregate amount of Unquoted Investments is ₹ 9,138.45 Lakhs (March 31, 2018: ₹ 8,422.59 Lakhs)}		
<b>Total</b>	<b>9,138.50</b>	<b>8,422.64</b>

### 4. LOANS

(a) Loans and Advances to Employees	0.43	-
(b) Loan to related party	1,643.55	1,446.82
<b>Total</b>	<b>1,643.98</b>	<b>1,446.82</b>

### 5. OTHERS

#### Unsecured, Considered good

(a) Security Deposits	25.66	23.83
(b) Fixed Deposits with maturity of more than 12 months (Held as lien/security with various bank)	15.90	-
(c) Interest accrued on Deposits	0.54	1.12
<b>Total</b>	<b>42.10</b>	<b>24.95</b>

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

6. DEFERRED TAX ASSETS (NET)	(₹ In Lakhs)	
PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
(a) Deferred Tax Assets		
Expenses allowable on payment basis for Tax purposes as per section 43B of Income Tax Act, 1961	15.77	15.55
Fair Valuation of Investments	885.76	796.95
	<b>901.53</b>	<b>812.50</b>
(b) Deferred Tax Liability		
Impact of difference between tax base and carrying value as per financial	(346.78)	(342.35)
(c) Mat Credit Entitlement	152.95	58.93
<b>Net Deferred Tax Assets (a+b+c)</b>	<b>707.70</b>	<b>529.08</b>
<b>7. INVENTORIES</b>		
<b>Stores and spares</b>		
(Valued at Lower of Cost and Net Realisable Value)		
	8.03	10.16
<b>Total</b>	<b>8.03</b>	<b>10.16</b>
<b>8. TRADE RECEIVABLES</b>		
Unsecured, considered good	564.96	363.61
Doubtful	11.53	7.42
	<b>576.49</b>	<b>371.03</b>
Less: Allowance for bad and doubtful debts	(11.53)	(7.42)
<b>Total</b>	<b>564.96</b>	<b>363.61</b>
<b>9. CASH AND CASH EQUIVALENTS</b>		
(a) Balance with Banks		
On Current Accounts	98.61	130.24
(b) Cash on hand	0.40	0.40
<b>Total</b>	<b>99.01</b>	<b>130.64</b>
<b>10. BANK BALANCES OTHER THEN CASH AND CASH EQUIVALENTS</b>		
(a) Balance with Banks on unclaimed Dividend Accounts	13.05	13.88
(b) Fixed Deposits with original maturity of more than 3 months but less than 12 months	8.10	24.39
<b>Total</b>	<b>21.15</b>	<b>38.27</b>

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

PARTICULARS	(₹ In Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>11 A. LOANS</b>		
<b>Unsecured, Considered Good</b>		
Loans and Advances to Employees	1.91	2.95
<b>Total</b>	<b>1.91</b>	<b>2.95</b>
<b>11 B. OTHERS</b>		
<b>Unsecured , Considered Good</b>		
Other advances recoverable in cash or kind	1.57	0.21
<b>Total</b>	<b>1.57</b>	<b>0.21</b>
<b>12. OTHER CURRENT ASSETS</b>		
<b>Unsecured, Considered good</b>		
(a) Gratuity	-	7.54
(b) Prepaid expenses	22.31	23.65
(c) GST Receivable	19.62	4.32
(d) Others	1.04	5.46
<b>Total</b>	<b>42.97</b>	<b>40.97</b>
<b>13. SHARE CAPITAL</b>		
<b>Authorised</b>		
2,50,00,000 (March 31, 2018: 2,50,00,000) Equity Shares of ₹ 5 each (March 31,2018 : ₹ 5 each)	1,250.00	1,250.00
25,00,000 (March 31, 2018 : 25,00,000) 0% Cumulative Redeemable Preference Shares of ₹10 each (March 31,2018 : ₹ 10 each)	250.00	250.00
<b>Issued, Subscribed &amp; Fully Paid up</b>		
1,09,26,475 (March 31, 2018: 1,09,26,475) Equity Shares of ₹ 5 each (March 31, 2018: ₹ 5 each) fully paid up	546.32	546.32
<b>Total</b>	<b>546.32</b>	<b>546.32</b>

**(a) Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of reporting period**

PARTICULARS	As at 31st March, 2019		As at 31st March, 2018	
	Number	₹ in Lakhs	Number	₹ in Lakhs
<b>Shares outstanding at the beginning of the year</b>	1,09,26,475	546.32	1,09,26,475	546.32
Shares issued during the year	-	-	-	-
Allotment of Shares on account of sub division	-	-	-	-
Issue on account of Bonus Shares	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>1,09,26,475</b>	<b>546.32</b>	<b>1,09,26,475</b>	<b>546.32</b>

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

**(b) Terms / rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 5 per share (March 31, 2018 : ₹ 5 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their holdings.

**(c) Details of each Equity Shareholder holding more than 5% of Shares**

PARTICULARS	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kesar Corporation Pvt Limited	30,14,439	27.59%	30,14,439	27.59%
Kesar Enterprises Limited	10,40,000	9.52%	10,40,000	9.52%
Vinayak Vasudeo Sahasrabudhe	6,40,348	5.86%	-	-
M H Kilachand	-	-	6,40,348	5.86%

**(d) Aggregate Number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

PARTICULARS	Year (Aggregate No. of Shares)				
	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	4,20,249	-	-	-
Shares bought back	-	-	-	-	-

**14. OTHER EQUITY**

(₹ In Lakhs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
<b>(a) General Reserve</b>		
Opening Balance	2,974.99	2,974.99
(+) Transfers made during the year	-	-
<b>Closing Balance</b>	<b>2,974.99</b>	<b>2,974.99</b>
<b>(b) Retained Earnings</b>		
Opening balance	8,233.48	6,355.94
(+) Net Profit for the current year	1,847.07	1,943.29
(-) Dividend Paid	109.27	54.63
(-) Dividend Distribution Tax	22.46	11.12
<b>Closing Balance</b>	<b>9,948.82</b>	<b>8,233.48</b>
<b>(c) Other Comprehensive Income</b>		
Opening balance	(2.33)	(14.89)
(+) Addition during the year	0.30	12.56
<b>Closing Balance</b>	<b>(2.03)</b>	<b>(2.33)</b>
<b>Total</b>	<b>12,921.78</b>	<b>11,206.14</b>

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 15. BORROWINGS

(₹ In Lakhs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
<b>Secured Borrowings</b>		
<b>(i) Term Loans From Banks</b>		
<b>Corporate Loan</b>		
<b>Term Loan II</b>	109.34	404.34
Secured by exclusive charge on all tanks, movable Fixed Assets and Current Assets both present and future at Kandla. (Terminal I & II)		
Terms of Repayments:- Repayable from Nov'2016 in 48 Equal Monthly Installments. Interest is payable at Base Rate of Lender Bank Plus 2.50% p.a. with monthly rest.		
<b>Term Loan III</b>	49.31	369.31
Secured by exclusive charge on all tanks, movable Fixed Assets and Current Assets both present and future at Kandla. (Terminal I & II)		
Terms of Repayments:- Repayable from Apr'2018 in 48 Equal Monthly Installments. Interest is payable at 1Year MCLR of Lender Bank Plus 3.90% p.a. with monthly rest.		
<b>(ii) From others (various Finance Companies)</b>		
<b>Vehicle Loans</b>	12.39	7.61
Secured by way of hypothecation of respective vehicles.		
Terms of Repayments:- Repayable in 36 to 60 Equated Monthly Installments starting from the date of the loan and carrying Interest ranging from 8.41% to 14.00% p.a.		
<b>Total Secured Borrowings</b>	<b>171.04</b>	<b>781.26</b>
[Out of total Secured Borrowings of ₹ 549.58 Lakhs (March 31, 2018 : ₹ 1162.06 Lakhs), borrowings of ₹ 378.54 Lakhs (March 31, 2018 : ₹ 380.80 Lakhs) having Current Maturities, have been disclosed in Note No.18]		
<b>Total</b>	<b>171.04</b>	<b>781.26</b>
<b>16. PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Leave Encashment (unfunded)	54.57	46.76
<b>Total</b>	<b>54.57</b>	<b>46.76</b>
<b>17. TRADE PAYABLES</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note no. 41)	15.01	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	624.58	393.76
<b>Total</b>	<b>639.59</b>	<b>393.76</b>



# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 18. OTHER FINANCIAL LIABILITIES

(₹ In Lakhs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
(a) Current maturities of long-term debt		
Current maturities of long-term debt - secured borrowings (refer note no. 15)	378.54	380.80
(b) Interest accrued but not due on borrowings	6.27	12.64
(c) Unclaimed dividends	13.06	13.88
(d) Unearned Income	74.32	22.52
<b>Total</b>	<b>472.19</b>	<b>429.84</b>

### 19. OTHER CURRENT LIABILITIES

(a) Advance from Customers	0.09	3.23
(b) Payable to Related Party	-	86.25
(c) Statutory Dues	105.38	59.71
(d) Payables (For other contractual obligations)	3.50	4.42
(e) Outstanding Liabilities for expenses	25.57	11.62
<b>Total</b>	<b>134.54</b>	<b>165.23</b>

### 20. PROVISIONS

#### Provision for employee benefits

(a) Gratuity (Funded) {refer note no. 32}	2.59	-
(b) Leave Encashment (Unfunded)	16.68	15.91
<b>Total</b>	<b>19.27</b>	<b>15.91</b>

### 21. CURRENT TAX LIABILITIES (NET)

Provision for Income Tax	192.25	439.89
[Net of Advance Income Tax of ₹ 1,462.29 Lakhs (March 31,2018 : ₹ 1,553.12 Lakhs)]		
<b>Total</b>	<b>192.25</b>	<b>439.89</b>

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 22. REVENUE FROM OPERATIONS

(₹ In Lakhs)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Sale of Services (Income from providing storage tanks on hire/rental basis for liquid cargo and other related services)	3,699.63	4,161.98
(b) Other operating revenue (Handling charges)	1.14	1.23
<b>Total</b>	<b>3,700.77</b>	<b>4,163.21</b>

### 23. OTHER INCOME

(a) Interest on		
(i) Fixed Deposits	2.67	3.95
(ii) Others	0.92	21.55
(iii) Loans and advances to related party	316.60	274.49
(b) Dividend Income	-	0.01
(c) Credit Balance Written Back	3.12	36.71
(d) Sale of Scrap	10.24	4.98
(e) Profit on Sale of property plant and equipments	12.22	-
(f) Miscellaneous Receipts	2.50	4.02
<b>Total</b>	<b>348.27</b>	<b>345.71</b>

### 24. EMPLOYEE BENEFIT EXPENSE

(a) Salaries and Wages	651.77	587.67
(b) Contribution to P.F. Fund	60.18	53.18
(c) Contribution to Gratuity Fund (refer note no. 32)	10.55	27.55
(d) Staff Welfare	14.45	16.31
<b>Total</b>	<b>736.95</b>	<b>684.71</b>

### 25. FINANCE COST

(a) Interest Expense	114.24	179.63
(b) Other Borrowing Costs		
(i) Finance Charges	-	12.50
(ii) Others including Bank Charges	0.44	1.60
<b>Total</b>	<b>114.68</b>	<b>193.73</b>

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(₹ In Lakhs)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>26. OTHER EXPENSES</b>		
(a) Storage & Handling Charges	51.78	61.73
(b) Power & Fuel	83.16	89.33
(c) Rent	513.33	788.23
(d) Repairs		
(i) Plant & Machinery	131.66	204.44
(ii) Buildings	-	-
(iii) Others	17.12	25.53
(e) Insurance	28.74	34.50
(f) Rates & Taxes	7.99	6.71
(g) Legal & Professional Fees	49.05	75.87
(h) Directors Sitting Fees	12.00	8.80
(i) Auditors Remuneration	-	-
(i) Audit Fees	3.40	3.40
(ii) For Certification	2.10	2.10
(j) Bad Debts Written off	21.68	-
(k) Allowance for doubtful Debts	4.11	-
(l) Travelling Expenses	44.74	16.47
(m) CSR Expenditure u/s 135 of Companies Act, 2013 (refer note no 36)	-	5.00
(n) Miscellaneous Expenses	156.92	141.69
<b>Total</b>	<b>1,127.78</b>	<b>1,463.80</b>

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 27 Capital and other Commitments

(₹ in Lakhs)

PARTICULARS	As at 31st March 2019	As at 31st March 2018
<b>Other:</b>		
Estimated amount of contracts remaining to be executed and not provided for	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

### 28 Contingent Liabilities

(₹ in Lakhs)

PARTICULARS	As at 31st March 2019	As at 31st March 2018
<b>(a) Claims against the Company not acknowledged as debts:</b>		
i) Additional demand on account of revision in rates of Lease Rent	3,128.13	1,831.15
ii) Additional demand on account of Transfer fee/upfront rent for change in name*	1,583.54	1,583.54
iii) Additional demand on of Electricity Charges **	53.42	53.42
iv) Additional Demand on account of Foreclosure	5.25	5.25
<b>b) Guarantee: (Refer Note No 29 (b))</b>		
Corporate Guarantee given in favor of Banker's, towards credit facilities granted to Kesar Multimodal Logistics Limited (Subsidiary Company) (KMLL) to set up a "Composite Logistics Hub" at Powerkheda in Madhya Pradesh.	10,811.00	10,811.00
Bank Guarantee in favor of Commissioner of Customs, Kandla	3.75	3.75
Bank Guarantee in favor of Director General of Fire Services, Andhra Pradesh	9.33	9.33
<b>c) Disputed liability on account of Income Tax</b>	18.61	18.61
<b>Total</b>	<b>15,613.03</b>	<b>14,316.05</b>

\* Pursuant to Scheme of Demerger, the Company has requested Deendayal Port Trust (DPT) (formerly known as Kandla Port Trust (KPT)) for transfer of leasehold land situated at Kandla in its name which is presently in the name of Kesar Enterprises Ltd. However, DPT has raised a demand on account of such transfer/ upfront fee for change in the name. The Company has filed a writ petition in High Court of Gujarat, against the demand raised by the DPT and is of the view that the demand raised is likely to be deleted or substantially reduced and hence no provision is made in books of accounts. However, for certain portion of leasehold land where the lease period is expired and the same is pending for renewal by DPT, the Company has filed writ petition/application for the renewal of the said lease and is of the view that lease shall be renewed by DPT. Pending outcome of the writ petition filed in High Court of Gujarat, depreciation on Assets constructed at lease hold land has been charged as per the rates prescribed in Schedule II of the Companies Act 2013.

\*\* Hon'ble High Court of Gujarat has set aside demand of Gujarat Electricity Board; contrarily Gujarat Electricity Board has filed Special Leave Petition in Supreme Court. Order is awaited.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2019**

29 a) The Company, as at March 31, 2019, has a non-current investment that comprises of Equity Investment in the Subsidiary Company Kesar Multimodal Logistics Limited ('KMLL') amounting to ₹ 4,180.00 Lakhs (March 31, 2018, ₹ 4,180.00), Investment in zero coupon redeemable preference shares of KMLL amounting to ₹ 992.43 Lakhs (March 31, 2018 ₹ 898.13 Lakhs) and contribution towards equity capital amounting to ₹ 3,966.02 (March 31, 2018 ₹ 3,344.46). Further, the Company has non-current loan in KMLL amounting to ₹ 1,643.55 Lakhs (March 31, 2018 ₹ 1,446.82). KMLL has incurred substantial losses till current year and its net-worth as at March 31, 2019 has been fully eroded. However based on certain estimates and growth/business prospects the management believes that the carrying value of the non-current investments and non-current loans are good and recoverable.

b) The total outstanding loans availed by the Company's subsidiary Kesar Multimodal Logistics Ltd (KMLL) as at 31.03.2019 is ₹ 11,507.36 Lakhs (Previous Year ₹ 10,120.40 Lakhs). Strategic Debt restructuring (SDR) of KMLL was invoked and approved by the Banks on 20.11.2017. However, upon withdrawal of the SDR scheme by RBI vide circular dated 12.02.2018, the account of KMLL has been classified as a Non-Performing Asset (NPA), thereafter Dena Bank has vide its letter dated 28.03.2018 recalled the loans from KMLL and invoked the Corporate Guarantee given by the Company, which has been contested by the Company.

KMLL had filed a Special Leave Petition (SLP) with the Hon'ble Supreme Court of India against the applicability of the said RBI circular and the Hon'ble Supreme Court of India has, on 02.04.2019, quashed the impugned Circular dated 12.02.2018 issued by RBI as such all the actions taken under the said circular, including actions by which the Insolvency Code has been triggered must fall along with the said Circular.

Dena Bank has filed upon the KMLL and the Company a petition under the Insolvency and Bankruptcy Code, (IBC) 2016 in The National Company Law Tribunal (NCLT) Mumbai on 30.10.2018. Both the petitions are yet to be admitted by NCLT.

Further, KMLL has filed a Writ in the Hon'ble High Court of Bombay praying for reinstatement of the SDR the outcome of which is awaited.

**30 Capital Work in Progress includes**

(₹ in Lakhs)

PARTICULARS	As at 31st March 2019	As at 31st March 2018
MS Tank	-	29.35
<b>Preoperative Expenses</b>		
Other Miscellaneous Expenses	8.33	8.33
<b>Total</b>	<b>8.33</b>	<b>37.68</b>

31 The Non-Current Investments amounting to ₹350.00 Lakhs (Previous Year ₹350.00 Lakhs) is placed as a security against borrowings.

**32 Employee Benefit**

**Defined Benefit Plan (Gratuity Fund) - Funded**

In accordance with Indian Accounting Standard 19 "Employee Benefits", actuarial valuation was performed by independent actuaries in respect of the aforesaid defined benefit plan.

**(a) The amounts recognized in the balance sheet are as follows:**

(₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Present Value of funded obligations	217.36	249.90
Fair Value of plan assets	(214.77)	(257.43)
Net liability /(Assets)	2.59	(7.54)
Amount in balance sheet Liabilities/ (Assets)	2.59	(7.54)

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(b) The amounts recognized in the statement of profit and loss are as follows: (₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Current service cost	11.14	12.62
Interest on obligation	(0.59)	2.68
Past Service Costs	-	12.25
Total included in employee benefit expense	10.55	27.55

(c) Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows: (₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening defined benefit obligation	249.90	230.80
Current Service costs	11.14	12.62
Interest costs	19.69	16.78
Past Service Cost	-	12.25
Actuarial losses/ (gains)	(5.40)	(13.02)
Benefits paid	(57.98)	(9.53)
Closing defined benefit obligation	217.35	249.90

(d) The amount recognized in the other comprehensive Income (OCI) is as follows: (₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Actuarial (Gains)/Losses on obligation for the period	(5.40)	(13.02)
Return on Plan Assets, excluding interest income	4.98	(4.70)
Net actuarial losses (gains) recognized in year	(0.42)	(17.73)

(e) The Reconciliation of Balance Sheet in the statement are as follows: (₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March 2019	For the year ended on 31st March 2018
Opening net Liability/ (asset)	(7.54)	36.85
Expenses recognized in Statement of Profit and Loss	10.55	27.55
Expenses recognized in OCI	(0.42)	(17.73)
Net Liability / (asset) Transfer In	-	(33.51)
Employers Contribution	-	(20.70)
Net Liability/(Assets) Recognised in the Balance Sheet	2.59	(7.54)

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(f) The amount recognized Interest Cost in the statement are as follows:

(₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March 2019	For the year ended on 31st March 2018
Present Value of Benefit Obligation	249.90	230.80
Fair Value of Plant Assets	(257.43)	(193.95)
Net Liability / (Assets) At the Beginning	(7.53)	36.85
Interest Cost	19.69	16.78
Interest Income	(20.29)	(14.10)
Net Interest cost for Current Period	(0.59)	2.68

(g) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

(₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening fair value of plan assets	257.43	193.95
Adjustment in funds		
Expected return on plan assets	20.29	14.10
Actuarial gains / (losses)	(4.98)	4.70
Contributions by employer	-	20.70
Assets Transferred In /Acquisitions	-	33.51
Benefits paid	(57.98)	(9.53)
Closing fair value of plan assets	214.76	257.43

Plan Assets are invested in Group Gratuity Scheme of Life Insurance Corporation of India.

(h) Principal actuarial assumptions at the balance sheet date:

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Discount rate	7.76%	7.88%
Salary escalation rate	8.00%	8.00%
Expected return on plan assets	7.76%	7.88%
Attrition rate	1.00%	1.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The expected rate of return on plan assets is based on the expectations of the average long-term rate of return expected on investments of the fund during the estimated term of the obligation.

The estimates of future salary escalation is considered taking into account inflation, seniority promotion and other relevant factors.

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## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(i) Amounts for the current and previous four years are as follows: (₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan				
	For the year ended 31st March 2019	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015
Defined benefit obligation	217.36	249.90	230.80	211.25	196.06
Plan assets	214.77	257.43	193.95	188.00	188.01
Surplus/ (deficit)	(2.59)	7.53	(36.85)	(23.25)	(8.05)

(j) Experience Adjustment: (₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan				
	For the year ended 31st March 2019	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015
On plan Liability (Gains)/ Losses	(7.12)	(4.13)	(4.36)	(2.53)	26.79
On plan Assets Gains/ (Losses)	(4.98)	4.70	(15.04)	(15.04)	(0.46)

### Defined Contribution Plans

Amount recognized as expense in respect of Compensated Leave Absence is ₹ 20.88 Lakhs (Previous Year ₹ 3.21Lakhs).

Amount recognized as an expense in respect of "Contribution to Provident and other Funds" is ₹ 60.18Lakhs (Previous Year ₹ 53.18Lakhs)

(k) Maturity Analysis of the Benefit Payments: From the Fund (₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting		
PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
1st Following Year	18.07	49.44
2nd Following Year	20.92	9.05
3rd Following Year	21.48	46.25
4th Following Year	3.49	19.14
5th Following Year	29.31	3.25
Sum of Years 6 To 10	118.32	138.21
Sum of Years 11 and above	209.74	185.33

(l) Sensitivity Analysis (₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Projected Benefit Obligation on Current Assumptions	217.36	249.90
Delta Effect of +1% Change in Rate of Discounting	(13.65)	(13.24)
Delta Effect of -1% Change in Rate of Discounting	15.44	14.94
Delta Effect of +1% Change in Rate of Salary Increase	13.36	12.53
Delta Effect of -1% Change in Rate of Salary Increase	(12.05)	(11.59)
Delta Effect of +1% Change in Rate of Employee Turnover	0.14	0.22
Delta Effect of -1% Change in Rate of Employee Turnover	(0.18)	(0.25)



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS  
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The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

**Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

**33. RISK MANAGEMENT FRAMEWORK**

The Company's principal financial liabilities, comprises borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations directly or indirectly. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. Market risk is applicable to variable rate borrowing. Equity risk is not applicable since company does not have equity investments. Foreign exchange risk is not applicable since the company does not have long term imports. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

<b>Risk Management</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits
Liquidity Risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Interest Rate Risk	Variable Rate Borrowing	Interest rate sensitivity	Mix of fixed versus floating rate

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily

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## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

### Trade receivables

Outstanding customer receivables are regularly monitored and any further services to major customers are approved by the senior management.

On account of adoption of Ind-AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

#### a) Ageing :

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
0-180 days	572.79	348.13
More than 180 days	3.70	22.90
<b>Total</b>	<b>576.49</b>	<b>371.03</b>

#### b) Movement in expected credit loss allowance on trade receivables :

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
<b>Balance at the beginning of the year</b>	7.42	9.75
Add:- Additional provision made	4.11	-
Less:- Provision write off	-	-
Less:- Provision reversed	-	2.33
<b>Balance at the end of the year</b>	<b>11.53</b>	<b>7.42</b>

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department.

### Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, preference shares and unsecured loans.

The table below provides details regarding the maturities of significant financial liabilities as of 31st March, 2019 and 31st March, 2018

#### Year ended 31st March, 2019

(₹ in Lakhs)

PARTICULARS	Upto 1 Year	1 to 5 years	> 5 years	Total
Term Loans	375.00	158.65	-	533.65
Car Loan	3.54	12.39	-	15.93
Trade Payables	639.59	-	-	639.59
Others	93.64	-	-	93.64

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Year ended 31st March, 2018

(₹ in Lakhs)

Particulars	Upto 1 Year	1 to 5 years	> 5 years	Total
Term Loans	375.00	773.65	-	1148.65
Car Loan	5.80	7.61	-	13.41
Trade Payables	393.76	-	-	393.76
Others	49.04	-	-	49.04

### Interest rate risk

The Company has MCLR based borrowing and depending on the interest rate scenario, the company decides on the mix of fixed rate versus variable rate borrowing.

### Interest rate sensitivity

Variable interest rate loans are exposed to interest rate risk, the impact on profit or loss before tax may be as follows:

(₹ in Lakhs)

PARTICULARS	Impact on profit before Tax	
	2018-19	2017-18
Interest rate – increase by 100 basis points (100 bps)	8.30	12.29
Interest rate – decrease by 100 basis points (100 bps)	(8.30)	(12.29)

### 34. Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the value of the share and to reduce the cost of capital.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
<b>Net Debt</b>		
Long term Borrowing and Other Current Liabilities	549.58	1162.06
Cash and Cash Equivalent	99.01	130.64
<b>Equity</b>		
Equity share capital	546.32	546.32
Other Equity	12,921.78	11,206.14
Net debt/Equity Ratio	0.03	0.09

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 35. Financial Instruments by category

The criteria for recognition of financial instruments is explained in significant accounting policies.

(₹ in Lakhs)

PARTICULARS	As at 31st March, 2019			As at 31st March, 2018		
	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL
<b>Financial Assets</b>						
<b>Non-Current Financial Assets</b>						
-Other Non Current Assets	1,686.08	-	-	1,471.77	-	-
-Trade Receivable	564.96	-	-	363.61	-	-
-Cash and Cash equivalent	99.01	-	-	130.64	-	-
-Other Bank Balances	21.15	-	-	38.27	-	-
Current Financial Assets- Others	3.48	-	-	3.16	-	-
-Other Current Asset	42.97	-	-	40.97	-	-
<b>Total financial Asset</b>	<b>2,417.65</b>	<b>-</b>	<b>-</b>	<b>2,048.42</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>						
-Long term Borrowings	171.04	-	-	781.26	-	-
-Trade payable	639.59	-	-	393.76	-	-
-Other Current Liabilities	134.54	-	-	165.22	-	-
-Other Financial Liabilities	472.18	-	-	429.84	-	-
<b>Total financial liabilities</b>	<b>1,417.35</b>	<b>-</b>	<b>-</b>	<b>1,770.08</b>	<b>-</b>	<b>-</b>

### 36. CSR Expenditure:

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
a) Gross Amount required to be spent by the Company during the year	45.87	44.09
b) Amount spent during the year	-	5.00

### 37. Segment Reporting

The Company is mainly engaged in Liquid Storage Business in India and there is no other reportable business and geographical segment as required by Indian Accounting Standard 108.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2019**

**38. Related party disclosures under Indian Accounting Standard -24**

**Names of related parties and nature of related party relationships:**

**a) Key Management Personnel and their relatives:**

Key Management Personnel:

Mr. H R Kilachand Executive Chairman

Relatives of Key Management Personnel:

Mr. Rohan H Kilachand Son of Executive Chairman

Ms. Rohita H Kilachand Daughter of Executive Chairman

Mrs. Nidhi R Kilachand Daughter in Law of Executive Chairman

Mrs. M. H. Kilachand Director (upto 07.11.2017)

**b) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence**

Kesar Enterprises Limited

Kesar Corporation Pvt. Ltd.

Indian Commercial Co. Pvt. Ltd.

Kilachand Devchand & Co. Pvt. Ltd.

Kilachand Devchand Commercial Pvt. Ltd.

India Carat Pvt Ltd

Seel Investment Pvt. Ltd.

**c) Subsidiary Company:**

Kesar Multimodal Logistics Limited

**d) Others**

Independent and Non-Executive Directors

Mr.A.S.Ruia

Mr.J.N.Godbole

Mr.R.S.Loona

Mr.J.K.Devgupta

Mrs.Nilima Ashok Mansukhani

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## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Disclosure of transactions with related parties and the status of outstanding balance as on 31st March, 2019:

(₹ in Lakhs)

PARTICULARS	Kesar Enterprises Limited	Kesar Multimodal Logistics Ltd	Kesar Corporation Ltd	H R Kilachand	Rohan H Kilachand	M.H. Kilachand	Rohita H.Kilachand
Reimbursement of Expenses	7.33 (94.40)						
Managerial Remuneration				89.91 (26.50)			
Director Fees/ Commission					Nil (0.60)	Nil (0.20)	
Interest Paid	Nil (1.31)		1.34 (4.10)				
Salary paid					Nil (5.80)		Nil (5.57)
Advance/ Loan Taken	Nil (50.00)		Nil (48.00)				
Advance/ Loan Repaid	Nil (50.00)		35.00 (13.00)				
Long term loans and advances- Classified as Loans		441.73 (44.27)					
Long term loans and advances- Classified as Contribution to Equity Capital of subsidiary		154.27 (0.47)					
Preference shares-Classified as investment in preference shares Investment		Nil (193.23)					
Preference shares- Classified as Contribution to Equity Capital of subsidiary		Nil (670.77)					
Purchase of Investment	Nil (2.50)						
<b>(b) Balance outstanding</b>							
Payable for Expenses Short term	Nil (24.01)						
Managerial Remuneration				Nil (23.55)			
Long term loans and advances- Classified as Loans		1,643.55 (1,446.82)					
Long term loans and advances- Classified as Contribution to Equity Capital of subsidiary		551.19 (151.92)					
Preference shares-Classified as investment in preference shares Investment		992.43 (898.12)					
Preference shares- Classified as Contribution to Equity Capital of subsidiary		2,490.57 (2,584.88)					
Loan Taken			Nil (38.69)				
Investments in Equity Share Capital		4,180.00 (4,180.00)					
Corporate Guarantee		10,811.00 (10,811.00)					

(Figures in brackets represents previous year)

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### Director's Sitting fees paid to Independent and Non-Executive Directors

(₹ in Lakhs)

Name of the Director	For the year ended 31st March 2019	For the year ended 31st March 2018
A.S.Ruia	3.00	2.40
J.N.Godbole	3.20	2.20
R.S.Loona	3.20	2.60
Nilima Ashok Mansukhani	1.40	-
J.K.Devgupta	1.20	0.80

### Dividend Paid to Key Management Personnel and their relatives, Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence:

(₹ in Lakhs)

NAME	During the Year 2018-19	During the Year 2017-18
Harsh R Kilachand	4.99	2.37
Madhavi Harsh Kilachand	6.40	3.20
Rohan Harsh Kilachand	3.05	1.38
Rohita Harsh Kilachand	3.03	1.37
Harsh Rajnikant Kilachand (HUF)	0.40	0.20
Indian Commercial Co. Pvt. Ltd.	3.38	1.69
Seel Investment Pvt. Ltd.	3.20	1.60
Indian Carat Pvt Ltd	0.15	0.07
Kesar Corporation Pvt Ltd	30.14	15.07
Kesar Enterprises Ltd	10.40	5.20

39. Loans and advances in the nature of loans given to Subsidiary Company/Guarantees given on behalf of Subsidiary in accordance with schedule V of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015 & Section 186 of the Companies Act, 2013.

Name of Entity: Kesar Multimodal Logistics Ltd.

(₹ in Lakhs)

Sr. No.	PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
1	Loan outstanding	1,643.55	1,446.82
	Maximum amount Outstanding	2,194.75	1,598.74
	Terms of Repayments & Repayment Schedule	Payable on demand after 01st April, 2022	Payable on demand after 01st April, 2019
	Purpose	Payment to contractor & administrative expenses	Payment to contractor & administrative expenses
2	Corporate Guarantee *	10,811.00	10,811.00
	Purpose	Payment to contractor & administrative expenses	Payment to contractor & administrative expenses
	Investment in Equity Shares	4,180.00	4,180.00
	Investment in Preference Shares	992.43	898.12

\* The total outstanding loans of Lenders as at 31st March 2019 is ₹ 11,507.36 Lakhs (Previous Year ₹ 10,120.40 Lakhs) against Corporate Guarantee.

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 40 Supplementary statutory information

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Expenditure in foreign currency (Foreign Travelling & Business Promotion Expenses)	13.91	1.39

- 41 The Micro, Small and Medium Enterprises to whom amount was payable and outstanding for more than stipulated period (as per the terms & conditions of the orders) are as under:

(₹ in Lakhs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier	13.31	-
The amount of Principal and interest paid beyond the appointed day	-	-
The amount of interest due and payable on delayed payments	0.44	-
The amount of interest accrued and remaining unpaid	0.44	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

This disclosure is on the basis of information available with the Company regarding the status of Suppliers as defined under the "The Micro, Small & Medium Enterprises Act, 2006." Since the Company has not received any claims, hence interest is provided but not paid during the period.

### 42 Earnings per Share (EPS):

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Basic & Diluted EPS:		
a) Net profit attributable to Equity Shareholders (₹ in Lakhs)	1,847.08	1,943.30
b) Weighted average number of Equity Shares Outstanding (Nos.)	109.26	109.26
Basic & Diluted EPS (₹)	16.90	17.79
Face Value per Share (₹)	5	5

- 43 The common corporate expenses incurred at Corporate Head Office at Mumbai for the year have been allocated as per the Sharing Agreement between Kesar Enterprises Ltd. and the Company. The amount allocated to the Company is ₹ 7.33 Lakhs (Previous Year ₹ 94.40 Lakhs).



# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 44 Tax Expenses

#### (a) Income tax expense

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Current tax</b>		
Profit for the year	423.00	410.00
Adjustments of prior year	(185.12)	(204.02)
<b>Total-A</b>	<b>237.88</b>	<b>205.98</b>
<b>Deferred tax</b>		
Deferred tax charge/(credit)	(84.72)	(93.48)
MAT credit Entitlement	(94.02)	(58.93)
<b>Total-B</b>	<b>(178.74)</b>	<b>(152.41)</b>
<b>Total tax expense-A+B</b>	<b>59.14</b>	<b>53.58</b>

#### (b) Reconciliation of tax expense and the accounting profit

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Profit before tax	1,906.21	1,996.87
Income tax expense calculated at 29.12%	555.09	575.90
<b>(i) Tax effect of:</b>		
<b>Add :</b>		
Corporate social responsibility expenses not allowed as deduction	-	1.44
Provisions for Retirement Benefits	7.18	5.22
Difference in Depreciation and Amortisation	2.46	(0.61)
Previously unrecognised tax losses now recouped to reduce current tax expense	(4.87)	(12.06)
Deduction available as per section 80-IA of the Income Tax Act, 1961	(136.46)	(138.99)
Deferred Tax Expense for the year	(84.59)	(93.48)
Profit on Sale of Fixed Assets	(3.56)	-
Additional Income as calculated by using effective interest rate	(92.19)	(79.16)
Provisions for doubtful Debts	1.20	(0.67)
Excess provision of previous years reversed	(185.12)	(204.02)
<b>Total Expenses</b>	<b>59.14</b>	<b>53.57</b>

# Annual Report 2018-2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

The following table provides the details of income tax assets and liabilities as at March 31, 2019 and March 31, 2018:

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Income tax assets	1,462.29	1,553.12
Current income tax liabilities	1,654.54	1,993.01
<b>Net balance</b>	<b>192.25</b>	<b>439.89</b>

The gross movement in the current tax asset/ (liability) for the years ended March 31, 2019 and March 31, 2018 is as follows :

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Net current income tax liability at the beginning	439.89	892.01
Income tax paid	(485.52)	(645.20)
Current income tax expense	423.00	410.00
Previous years adjustment	(185.12)	(216.92)
Net current income tax liability at the end	192.25	439.89

45 The Hon'ble Supreme Court of India by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the Hon'ble Supreme Court of India for disposal.

Pending decision on the subject review petition and directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts

46 The previous year figures have been regrouped and reclassified wherever necessary to correspond with the current year classification/disclosure.

The accompanying notes form an integral part of the financial statements

**As per our report of even date attached  
For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI FRN NO.103523W / W100048**

**Sumant Sakhardande  
Partner  
Membership No. 034828**

**Place: Mumbai  
Date: 16th May, 2019**

**For and on behalf of the Board of Directors**

**H R Kilachand  
Executive Chairman  
DIN 00294835**

**V J Doshi  
Chief Financial Officer**

**A S Ruia  
Director  
DIN 00296622**

**Sarika Singh  
Company Secretary**

**Place: Mumbai  
Date: 16th May, 2019**

## INDEPENDENT AUDITOR'S REPORT

To the Members of Kesar Terminals and Infrastructure Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Kesar Terminals and Infrastructure Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the consolidated state of affairs of the Group, as at March 31, 2019, their consolidated loss including other comprehensive income, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 30 of the accompanying consolidated Ind AS financial statement in relation to a preparation of the financial statements of Kesar Multimodal Logistics Limited (KMLL), a wholly owned subsidiary of the holding Company on going concern basis. KMLL has incurred losses during current and previous financial years and defaulted in repayment of borrowings to the banks. The financial statements of KMLL have been prepared on a 'going concern' on the basis of management's expectation of improvement in KMLL's revenues/profitability, continuous support from the Holding Company and positive outcome of the ongoing proceedings with the Banks. Our opinion is not modified in respect of this matter.

The above matter has been drawn attention to in the 'Material Uncertainty relation to Going Concern' section of the audit report issued by the auditor of KMLL vide their report dated May 16, 2019.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

### Other Information

1. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual Report, but does not include the financial statements and our auditor's report thereon. The annual Report is expected to be made available to us after the date of this auditor's report.
2. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
3. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
4. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and

# Annual Report 2018-2019

consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

We did not audit the Ind AS financial statements of one subsidiary, whose Ind AS financial statements reflects total assets of ₹ 15,201.70 lakhs and net assets of ₹ (97.60) lakhs as at March 31, 2019, total revenues of ₹ 484.75 lakhs and net cash outflows amounting to ₹ 64.01 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
- e. The matters described in the Material Uncertainty Related to Going Concern section of our report, in our opinion, may have an adverse effect on the functioning of the Group;
- f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company none of the directors of the Group companies, is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, and the operating effectiveness of such controls, we give our separate report in the "Annexure".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, the remuneration paid/ provided to their directors during the year by the Holding Company and its subsidiary company incorporated in India is in accordance with the provisions of section 197 of the Act;

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, – Refer Note 29 to the consolidated Ind AS financial statements;
  - (ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company;

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Sumant Sakhardande

Partner

Membership No. 034828

Place: Mumbai

Date: May 16, 2019

# Annual Report 2018-2019

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kesar Terminals & Infrastructure Limited on the consolidated Ind AS financial statements for the year ended March 31, 2019]

### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Kesar Terminals & Infrastructure Limited ("the Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of Holding Company and its subsidiary company, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

# **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

## **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matter paragraph, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## **Other Matters**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the one subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

**Sumant Sakhardande**

Partner

Membership No. 034828

Place: Mumbai

Date: May 16, 2019

# Annual Report 2018-2019

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

			₹ in Lakhs	
PARTICULARS		Note No.	As at 31st March 2019	As at 31st March 2018
<b>I. ASSETS</b>				
<b>1 Non-current assets</b>				
(a)	Property, plant and equipments	3	17,216.05	18,181.36
(b)	Capital work in progress	3	508.85	538.20
(c)	Intangible assets	3	9.24	14.80
(d)	Financial Assets			
(i)	Investments	4	0.05	0.05
(ii)	Loans	5A	0.43	-
(iii)	Others	5B	58.18	128.22
<b>2 Current assets</b>				
(a)	Inventories	6	8.04	10.16
(b)	Financial Assets			
(i)	Trade receivables	7	652.14	409.91
(ii)	Cash and cash equivalents	8	138.69	159.09
(iii)	Bank balances other than cash and cash equivalents	9	21.15	113.52
(iv)	Loans	10A	1.92	2.95
(v)	Others	10B	15.48	11.61
(c)	Other current assets	11	150.36	129.53
<b>TOTAL</b>			<b>18,780.58</b>	<b>19,699.40</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a)	Share capital	12	546.32	546.32
(b)	Other equity	13	3,709.44	5,133.71
<b>2 Liabilities</b>				
<b>A Non-current liabilities</b>				
(a)	Financial liabilities			
(i)	Borrowings	14	171.65	784.11
(ii)	Others	15	383.40	383.40
(b)	Provisions	16	69.14	56.98
(c)	Deferred tax liabilities (net)	17	178.06	267.87
<b>B Current liabilities</b>				
(a)	Financial Liabilities			
(i)	Trade payables	18		
	-Total outstanding dues of micro enterprises and small enterprises		19.36	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		746.97	569.53
(ii)	Others	19	11,981.84	10,657.62
(b)	Other current liabilities	20	759.32	840.90
(c)	Provisions	21	22.83	19.07
(d)	Current tax liabilities (net)	22	192.25	439.89
<b>TOTAL</b>			<b>18,780.58</b>	<b>19,699.40</b>
Significant accounting policies		2		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For Haribhakti & Co. LLP

Chartered Accountants

ICAI FRN NO.103523W / W100048

H R Kilachand  
Executive Chairman  
DIN 00294835

A S Ruia  
Director  
DIN 00296622

Sumant Sakhardande  
Partner  
Membership No. 034828

V J Doshi  
Chief Financial Officer

Sarika Singh  
Company Secretary

Place: Mumbai  
Date: 16th May, 2019

Place: Mumbai  
Date: 16th May, 2019



# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

PARTICULARS	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>I Revenue:</b>			
Revenue from operations	23	4,185.53	4,404.74
Other income	24	40.61	80.36
<b>Total Income</b>		<b>4,226.14</b>	<b>4,485.10</b>
<b>II Expenses:</b>			
Employee benefits expense	25	934.00	881.99
Finance cost	26	1,797.03	1,445.23
Depreciation and amortization expense	3	927.97	962.50
Other expenses	27	1,713.02	1,865.69
<b>Total Expenses</b>		<b>5,372.02</b>	<b>5,155.41</b>
<b>III Loss before tax (I-II)</b>		<b>(1,145.88)</b>	<b>(670.31)</b>
<b>IV Tax Expense:</b>			
(a) Current tax		423.00	410.00
(b) Deferred tax		(89.93)	(95.12)
(c) Excess provision of earlier years written back		(185.12)	(204.02)
<b>V Loss for the year (III-IV)</b>		<b>(1,293.83)</b>	<b>(781.17)</b>
<b>Loss for the year attributable to</b>			
a. Owners of the Company		(1,293.83)	(779.77)
b. Non-Controlling Interest		-	(1.40)
<b>VI Other Comprehensive Income</b>			
A Items that will not be reclassified to profit or loss.			
(i) Measurements of defined employee benefit plans		1.40	18.71
(ii) Income tax relating to items that will not be reclassified to profit or loss.		(0.12)	(5.16)
B (i) Items that will be reclassified to profit or loss.			
(ii) Income tax relating to items that will be reclassified to profit or loss.			
<b>Total Other Comprehensive Income for the year (net of tax)</b>		<b>1.28</b>	<b>13.55</b>
<b>Total Comprehensive Income for the year attributable to</b>			
a. Owners of the Company		1.28	13.55
b. Non-Controlling Interest		-	-
<b>VII Total Comprehensive Income for the year (V + VI)</b>		<b>(1,292.55)</b>	<b>(767.62)</b>
<b>Total Comprehensive Income for the year attributable to</b>			
a. Owners of the Company		(1,292.55)	(766.22)
b. Non-Controlling Interest		-	(1.40)
<b>VIII Earnings per equity share of ₹5 each ;</b>	41		
Basic (₹)		(11.84)	(7.15)
Diluted (₹)		(11.84)	(7.15)
Significant accounting policies	2		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI FRN NO.103523W / W100048

Sumant Sakhardande

Partner

Membership No. 034828

Place: Mumbai

Date: 16th May, 2019

For and on behalf of the Board of Directors

H R Kilachand

Executive Chairman

DIN 00294835

V J Doshi

Chief Financial Officer

A S Ruia

Director

DIN 00296622

Sarika Singh

Company Secretary

Place: Mumbai

Date: 16th May, 2019

# Annual Report 2018-2019

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>NET LOSS BEFORE TAX</b>	(1,145.88)	(670.31)
<b>Non-cash adjustments to reconcile loss before tax to net cash flows:</b>		
Depreciation and amortisation	927.97	962.50
Dividend Income	-	(0.01)
Interest Income	(6.55)	(34.65)
Interest and Finance Charges	1,797.03	1,447.56
Credit Balance Written Back	(3.12)	(36.71)
Profit on sale of Fixed Assets	(12.21)	(0.13)
Provision/write back for doubtful receivables	4.94	(2.25)
Bad Debts	21.68	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,583.86</b>	<b>1,666.00</b>
<b>Movements in working capital:</b>		
Decrease in Inventories	2.12	1.41
(Increase)/Decrease in Trade Receivables	(268.86)	112.39
Decrease / (Increase) in Other Current Financial Assets	(1.36)	-
Increase in Other Current Financial Assets	1.04	(0.36)
Decrease / (Increase) in Other non current Financial assets	70.58	(0.93)
Increase in Other current assets	(3.23)	(17.90)
Increase in Other non current assets	(5.00)	(4.20)
Decrease in Other liabilities	-	-
Increase in Trade Payables	196.79	82.48
Increase / (Decrease) in Other Current Liabilities	14.87	(143.05)
Increase / (Decrease) in Current Provisions	7.30	(3.54)
Increase in Non Current Provisions	13.14	3.32
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,611.25</b>	<b>1,695.62</b>
Taxes paid	(488.14)	(665.70)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>1,123.11</b>	<b>1,029.92</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Property, plant & equipment including Intangible Assets & CWIP	(61.44)	(98.05)
Sale of Property, plant & equipment	21.95	0.70
Interest Received	24.33	33.32
Government Grant Received relating to Property, plant & equipment	70.59	-
Dividend Received	-	0.01
Proceeds from maturity of fixed deposits	-	70.25
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES (B)</b>	<b>55.43</b>	<b>6.23</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of Borrowings	(868.58)	(1,251.33)
Proceeds from Borrowings	8.76	137.68
Dividend Paid	(110.09)	(54.96)
Dividend Distribution Tax Paid	(22.46)	(11.12)
Interest Paid	(298.94)	(515.77)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(1,291.31)</b>	<b>(1,695.50)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(112.77)</b>	<b>(659.35)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>272.61</b>	<b>931.96</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>159.84</b>	<b>272.61</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
CASH AND CASH EQUIVALENTS (REFER NOTE NO. 8)	138.69	159.09
OTHER BANK BALANCES * (REFER NOTE NO. 9)	21.15	113.52
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>159.84</b>	<b>272.61</b>

\* These include balances that the Company can utilise only towards settlement of the respective unclaimed dividend.

## **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

Note 1 : The Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind-AS 7) - Statement of Cash Flow.

Note 2 : The Amendments to Ind AS 7 Statement of Cash Flows requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash flows changes, suggesting inclusion of reconciliation between the opening and closing balance in balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April 2017 and the required disclosure is made below. There is no other impact on financial statements due to this amendment.

### **Reconciliation of Opening and Closing of Finance Activities of Statement of Cash Flows.**

PARTICULARS	As At 31st March, 2018	Net Cash Flow	Non Cash Changes		Other Non Cash Changes	As At 31st March, 2019
			Fair Value Changes	Current/ Non Current Classification		
Borrowings Non current	784.11	(231.66)	-	(380.80)	-	171.65
Other Financial Liabilities	380.80	(383.06)	-	380.80	-	378.54
Borrowings current	10,250.29	(245.10)	-	-	1,504.47	11,509.66

Note : Figures in brackets are outflows

The accompanying notes form an integral part of the consolidated financial statements

**As per our report of even date attached**

**For Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI FRN NO.103523W / W100048

Sumant Sakhardande  
Partner  
Membership No. 034828

Place: Mumbai  
Date: 16th May, 2019

**For and on behalf of the Board of Directors**

**H R Kilachand**  
Executive Chairman  
DIN 00294835

**V J Doshi**  
Chief Financial Officer

**A S Ruia**  
Director  
DIN 00296622

**Sarika Singh**  
Company Secretary

Place: Mumbai  
Date: 16th May, 2019

# Annual Report 2018-2019

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH , 2019

A : Equity Share Capital (Equity shares of ₹ 5 each issued, subscribed and fully paid) (₹ in Lakhs)

PARTICULARS	Numbers	Amount
Balance as at 31st March , 2018	1,09,26,475	546.32
Changes in equity share capital during the year	-	-
<b>Balance as at 31st March, 2019</b>	<b>1,09,26,475</b>	<b>546.32</b>

B : Other Equity

PARTICULARS	Reserve and Surplus			Total Other Equity
	General Reserves	Retained Earnings	Other Comprehensive Income	
Balance as at 31st March , 2018	2,974.99	2,160.66	(1.94)	5,133.71
<b>Total Comprehensive income for the year</b>				
Profit for the year	-	(1,293.83)	-	(1,293.83)
Other Comprehensive Income	-	-	1.28	1.28
Final Dividend Paid	-	(109.26)	-	(109.26)
Dividend Distribution Tax Paid	-	(22.46)	-	(22.46)
<b>Balance as at 31st March, 2019</b>	<b>2,974.99</b>	<b>735.11</b>	<b>(0.66)</b>	<b>3,709.44</b>

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI FRN NO.103523W / W100048

Sumant Sakhardande

Partner

Membership No. 034828

Place: Mumbai

Date: 16th May, 2019

For and on behalf of the Board of Directors

H R Kilachand  
Executive Chairman  
DIN 00294835

V J Doshi  
Chief Financial Officer

A S Ruia  
Director  
DIN 00296622

Sarika Singh  
Company Secretary

Place: Mumbai

Date: 16th May, 2019

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### Background

The Company was incorporated on 21st January 2008. On 12th March 2010, the Hon'ble High Court of Bombay had passed an order pursuant to Section 391 to 394 of the Companies Act 1956, sanctioning the Scheme of Arrangement by way of Demerger for transfer of the Storage Division of Kesar Enterprises Limited (KEL) into the Company as a going concern with effect from 1st January 2009 (Appointed Date).

Pursuant to the Scheme of Demerger, in consideration of the transfer of Storage Undertaking into the Company, 47,53,113 Equity Shares of ₹10 each, fully paid up are issued and allotted on 1st June 2010 by the Company to the shareholders of Kesar Enterprises Limited (KEL) in the ratio of 10:7 i.e. for every 10 shares in KEL, 7 shares in the company

Kesar Terminals and Infrastructure Ltd is mainly engaged in the business of renting of liquid storage tanks at Kandla and is in process of commencing its operation at Pipavav and Kakinada Port

Kesar Multimodal Logistics Ltd was incorporated on 30th September 2011 as a Special Purpose Vehicle to execute Concession Agreement entered on 24th October 2011 between the Company and the Madhya Pradesh State Agricultural Marketing Board (Mandi Board) to set up a "Composite Logistics Hub" at Powerkheda, Madhya Pradesh, on Public Private Partnership (PPP) basis.

### 1 Principles of Consolidation

The Consolidated Financial Statements relate to Kesar Terminals & Infrastructure Ltd and its wholly owned Subsidiary Company Kesar Multimodal Logistics Ltd. The consolidated financial statements are prepared on the following basis :

- A The financial statements of the Company and it's subsidiary are combined on line-by-line basis by adding together the book values of like items of assets, liabilities after fully eliminating material intra group balances and intra group transactions and resulting unrealized profit or losses on the group transactions
- B Share of Non controlling interest's in net assets of the subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's Shareholder.

Non controlling Interest in the net assets of subsidiary consists of:

- (i) The amount of share in Equity Shareholder's Funds attributable to the non controlling interest at the date on which investment in subsidiary is made; and
- (ii) The non controlling interest's share of movements in share in Equity Shareholder's Funds attributable to the minority, since the date the parent subsidiary relationship comes into existence.
- (iii) The Subsidiary Company considered in the consolidated financial statement is

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest
Kesar Multimodal Logistics Ltd.	India	100.00%

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements

### 2 Significant Accounting Policies

#### A Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

# Annual Report 2018-2019

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### **B Basis of Measurement**

The financial statements have been prepared on historical cost basis except the following:

- Certain financial assets and liabilities are measured at fair value;
- Defined benefit plans- plan assets measured at fair value.

### **C Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period and cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period and there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

### **D The functional currency of the Group is the Indian Rupee (₹). These financial statements are presented in Indian Rupees and all values are rounded to the nearest Lakhs, except when otherwise stated.**

### **E Use of Estimates**

The preparation of financial statements in conformity with recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of the revenue and expenses during the reporting period and disclosures of contingent liabilities as of the date of the financial statements. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in notes to the financial statements.

### **Key accounting estimates :**

#### **(i) Income taxes:**

The Group's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

#### **(ii) Defined Benefit Obligation:**

The cost of the defined benefit gratuity plan and defined benefit leave encashment plan, the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates, rates of employee turnover. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2019****(iii) Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**F Revenue Recognition:**

The Group derives revenue primarily from sale of services. Effective April 01, 2018, the Group has adopted Indian Accounting Standard 115 (Ind AS 115) – “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 01, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets/liabilities have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those services.

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs; or
2. The Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group’s performance does not create an asset with an alternative use to the Group and an entity has an enforceable right to payment for performance obligation is satisfied.

For performance obligation where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. Revenue from sale of services is recognised at a time on which the performance obligation is satisfied.

Revenue in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as ‘unearned income’ under liabilities.

Revenue is measured at the fair value of the consideration received or receivable. The amount recognised as revenue is exclusive of GST (Goods and Services Tax) and discounts.

Insurance Claims are recognised only when the claim is admitted/expected to be admitted and there is no uncertainty on receiving the claim.

Interest income is recognized using the effective interest rate method, taking into account the amount outstanding and the rate applicable.

**G Property, Plant and Equipment**

The Group had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 01, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

# Annual Report 2018-2019

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Concession Premium paid/payable by the subsidiary Company to the Mandi Board for use of the land received under the concession agreement dated 24.10.2011 till the construction period is capitalized as fixed assets.

### H Depreciation:

- (i) Depreciation on Plant and Machinery and Building has been provided on Straight Line Method based on remaining useful lives of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- (ii) Depreciation on other assets has been provided on Written Down Value Method based on remaining useful lives of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- (iii) For property, plant and equipment purchased / disposed off during the year, depreciation has been provided on pro-rata basis with reference to the useful life of the asset period, at the applicable rates.
- (iv) The estimated useful life of the property, plant and equipment are as given below :

Description of Asset	Useful Life
Computers	3 to 6 years
Office Equipment	5 Years
Furniture & Fixtures	10 Years
Roads	5 Years
Buildings	30 Years
Plant & Machinery	25 Years
Vehicles	8 Years
Leasehold Land	30 Years

- (v) Depreciation on property, plant and equipment, whose actual cost does not exceed ₹ 5,000 is provided at the rate of hundred percent and is fully depreciated in the year of acquisition.
- (vi) Premium on Leasehold Land/Concession Premium is amortised over the period of the lease/Concession period.
- (vii) Depreciation on Intangible Assets representing computer software has been provided on Written Down Value Method based on remaining useful life. The useful life as estimated by the management for computer software is 6 years.
- (viii) The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed at each financial year end.

### I Capital Work-in-Progress:

These are stated at cost to date relating to projects in progress, incurred during construction / pre-operative period (Net of income) incurred during the construction/ pre-operative period and the same is allocated to the respective property, plant and equipment on the completion of their construction.

### J Inventories:

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts. Net realizable value is the



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### **K Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### **L Employee benefits:**

#### **Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be fully paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

#### **Post-Employment Benefits**

##### **Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separate entity. The Group makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

##### **Defined Benefit Plans**

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

### **M Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

#### **(i) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

#### **(ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognized outside the Statement of Profit and Loss are recognized outside the Statement of Profit and Loss, either in other comprehensive income or in equity.

# Annual Report 2018-2019

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### (iii) Minimum Alternate Tax (MAT)

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit become eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note on Accounting for credit available in respect of minimum alternative tax under the Income Tax Act, 1961 issued by ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT credit entitlement. The Group review the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income tax during the specified period

### N Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year (net of prior period items) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss after tax (net of prior period items) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### O Provisions:

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### P Contingent Liabilities and Contingent asset :

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed, in the financial statements except there is a virtual certainty to receive the same.

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

### Q Leases:

#### Operating Lease

##### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### **As a Lessor**

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the estimated useful life of the asset or the lease term.

### **R Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value.

### **S Impairment of Non-Financial Assets**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. An impairment loss is recognized in the statement of profit and loss. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

### **T Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial Instruments are further divided in two parts viz. Financial Assets and Financial Liabilities.

#### **Part I - Financial Assets**

##### **(i) Initial recognition and measurement**

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets which are not at fair value through statement of profit and loss, are adjusted to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### **(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

Financial Asset at amortised cost:

A Financial Asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

# Annual Report 2018-2019

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

### **Financial Asset at FVTOCI (Fair Value through Other Comprehensive Income)**

A Financial Asset is classified as at the FVTOCI if following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows (i.e. SPPI) and selling the financial assets

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### **Financial Assets at FVTPL (Fair Value through statement of Profit and Loss)**

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### **Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### **(iii) De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### (iv) Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial assets that are debt instruments and are measured as at FVTOCI
- (c) Trade receivables or any contractual right to receive cash or another financial asset
- (d) Loan commitments which are not measured as at FVTPL
- (e) Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk rather; it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss.

### Part II - Financial Liabilities

#### (i) Initial recognition and measurement

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings and payables.

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## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at fair value through statement of profit and loss**

Financial liabilities at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

#### **Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.**

Financial liabilities designated upon initial recognition at fair value through statement of profit and loss is designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains / loss are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through statement of profit and loss.

#### **Loans and borrowings**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities under borrowings. The dividends on these preference shares, if any are recognised in the statement of profit and loss as finance cost.

#### **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

### (iii) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### (iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### U Foreign Currency Transactions

Transactions in foreign currencies are accounted at the initially recorded exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year-end rates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit and loss. In case of forward contracts (non speculative), the premium or discount being the differences between the forward exchange rate and the exchange rate at the inception of the contract is recognized as expense or income over the life of the contract. The exchange difference either on settlement or translation is recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are reported using the exchange rate prevalent at the date of transaction.

### V Segment Reporting

Both the companies are mainly engaged in Logistics Business in India and there is no other reportable segment as required by Indian Accounting Standard 108.

### W Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is netted off with the related costs, which they are intended to compensate. Where the grant relates to fixed asset, it is netted off with the specified fixed asset if grants related to specific fixed asset otherwise netted off on prorata basis to all eligible fixed assets.

The loan or assistance is initially recognized and measured at fair value and nominal value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### Recent accounting pronouncements:

#### Ind AS 116, Leases:

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

On completion of evaluation of the effect of adoption of Ind AS 116, the Group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

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## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 3 Property, Plant and Equipments, Capital Work in Progress and Intangible Assets (Owned, unless stated otherwise)

(₹ in Lakhs)

PARTICULARS	Gross Block			Accumulated Depreciation/Amortisation			Net Block Balance as at 31st March 2019	
	Balance as at 1st April 2018	Additions	Adjustments/ Disposals	Balance as at 31st March 2019	Balance as at 1st April 2018	Depreciation / amortization charge for the year		On Disposals/ Adjustment
(a) <b>Property, Plant and Equipments</b>								
(i) Land								
(1) Free Hold Land	498.32	-	-	498.32	-	-	-	498.32
(2) Lease Hold Land	259.05	-	-	259.05	20.32	11.89	-	226.84
(3) Lease Hold Land Premium	0.11	-	-	0.11	0.11	-	-	-
(4) Land/Site Development	3,808.73	-	-	3,808.73	168.74	86.50	-	3,553.49
<b>Total</b>	<b>4,566.21</b>	<b>-</b>	<b>-</b>	<b>4,566.21</b>	<b>189.17</b>	<b>98.39</b>	<b>-</b>	<b>4,278.65</b>
(ii) Buildings	6,690.91	3.61	49.73 *	6,644.79	483.33	246.58	-	5,914.88
(iii) Plant and Equipment	3,349.39	48.10	51.11 *	3,346.38	494.90	209.16	-	2,642.32
(iv) Plant and Equipment (Railway Siding)	5,334.47	-	-	5,334.47	658.44	337.60	-	4,338.43
(v) Furniture and Fixtures	25.24	2.73	-	27.97	11.88	3.82	-	12.27
(vi) Office Equipments	45.47	2.49	-	47.96	33.24	14.15	-	0.57
(vii) Vehicles	74.16	10.74	26.89	58.01	33.53	12.71	17.16	28.93
<b>Total</b>	<b>20,085.85</b>	<b>67.67</b>	<b>127.73</b>	<b>20,025.79</b>	<b>1,904.49</b>	<b>922.41</b>	<b>17.16</b>	<b>17,216.05</b>
(b) <b>Capital Work In Progress</b> (Refer note no. 31)	538.20	-	29.35	508.85	-	-	-	508.85
(c) <b>Intangible Assets</b>								
Computer software	36.59	-	-	36.59	21.79	5.56	-	9.24
<b>Total (a+b+c)</b>	<b>20,660.64</b>	<b>67.67</b>	<b>157.08</b>	<b>20,571.23</b>	<b>1,926.28</b>	<b>927.97</b>	<b>17.16</b>	<b>17,734.14</b>

\* Amount shown under adjustments/disposal is on account of Government Grant received which is adjusted against the cost of relevant assets.



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2019**

3 Property, Plant and Equipments, Capital Work in Progress and Intangible Assets (Owned, unless stated otherwise)  
(FOR THE YEAR ENDED 31ST MARCH, 2018)

(₹ in Lakhs)

PARTICULARS	Gross Block			Accumulated Depreciation/Amortisation			Net Block Balance as at 31st March 2018	
	Balance as at 1st April 2017	Additions/ Adjustment	Adjustments/ Disposals	Balance as at 31st March 2018	Balance as at 1st April 2017	Depreciation / amortization charge for the year		On Disposals/ Adjustment
(a) <b>Property, Plant and Equip- ments</b>								
(i) Land								
(1) Free Hold Land	498.32	-	-	498.32	-	-	-	498.32
(2) Lease Hold Land	259.05	-	-	259.05	8.43	11.89	-	238.73
(3) Lease Hold Land Premium	0.11	-	-	0.11	0.11	-	-	-
(4) Land/Site Development	3,808.73	-	-	3,808.73	82.24	86.50	-	3,639.99
<b>Total</b>	<b>4,566.21</b>	<b>-</b>	<b>-</b>	<b>4,566.21</b>	<b>90.78</b>	<b>98.39</b>	<b>-</b>	<b>4,377.04</b>
(ii) Buildings	6,266.29	424.62	-	6,690.91	235.82	247.51	-	6,207.58
(iii) Plant and Equipment	3,469.27	35.67	155.55	3,349.39	264.73	230.17	-	2,854.49
(iv) Plant and Equipment (Railway Siding)	5,334.47	-	-	5,334.47	320.84	337.60	-	4,676.03
(v) Furniture and Fixtures	25.24	-	-	25.24	6.92	4.96	-	13.36
(vi) Office Equipments	36.24	9.23	-	45.47	13.87	19.37	-	12.23
(vii) Vehicles	56.35	19.81	2.00	74.16	18.90	16.07	1.44	40.63
<b>Total</b>	<b>19,754.07</b>	<b>489.33</b>	<b>157.55</b>	<b>20,085.85</b>	<b>951.86</b>	<b>954.07</b>	<b>1.44</b>	<b>18,181.36</b>
(b) <b>Capital Work In Progress (Refer note no. 31)</b>	933.47	29.35	424.62	538.20	-	-	-	538.20
(c) <b>Intangible Assets</b>								
Computer software	31.41	5.18	-	36.59	13.36	8.43	-	14.80
<b>Total (a+b+c)</b>	<b>20,718.95</b>	<b>523.86</b>	<b>582.17</b>	<b>20,660.64</b>	<b>965.22</b>	<b>962.50</b>	<b>1.44</b>	<b>18,734.36</b>

# Annual Report 2018-2019

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 4. INVESTMENTS

(₹ in Lakhs)

PARTICULARS	As at 31st March 2019	As at 31st March 2018
<b>Other Investments</b>		
<b>Investments in Equity Instruments (Unquoted)</b>		
200 Shares of ₹ 25 each fully paid in Jain Sahakari Bank Ltd (March 31, 2018: 200 Shares)	0.05	0.05
{Aggregate amount of Unquoted Investments is ₹ 5,000 (March 31, 2018: ₹ 5,000)}		
<b>Total</b>	<b>0.05</b>	<b>0.05</b>
<b>5A. LOANS</b>		
Loans and Advances to Employees	0.43	-
<b>Total</b>	<b>0.43</b>	<b>-</b>
<b>5B. OTHERS</b>		
<b>Unsecured, Considered good</b>		
(a) Security Deposits	40.77	127.10
(b) Fixed Deposits with maturity of more than 12 months (Held as lien/security with various banks)	15.90	-
(c) Interest accrued on Deposits	0.53	1.12
(d) Advances to Suppliers for Capital Goods	0.98	-
<b>Total</b>	<b>58.18</b>	<b>128.22</b>
<b>6. INVENTORIES</b>		
<b>Stores and spares</b>		
(Valued at Lower of Cost or Net Realisable Value)	8.04	10.16
<b>Total</b>	<b>8.04</b>	<b>10.16</b>
<b>7. TRADE RECEIVABLES</b>		
Unsecured, considered good	652.14	409.91
Doubtful	13.31	8.37
<b>Total</b>	<b>665.45</b>	<b>418.28</b>
Less: Allowance for bad and doubtful debts	(13.31)	(8.37)
<b>Total</b>	<b>652.14</b>	<b>409.91</b>

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 8. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	As at 31st March 2019	As at 31st March 2018
(a) Balance with Banks		
(i) on Current Accounts	133.29	158.36
(ii) on Fixed Deposits Accounts with original maturity of less than 3 months	4.09	-
(b) Cash on hand	1.31	0.73
<b>Total</b>	<b>138.69</b>	<b>159.09</b>

### 9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(a) Balance with Banks on unclaimed Dividend Accounts	13.05	13.88
(b) Fixed Deposits with original maturity of more than 3 months but less than 12 months	8.10	99.64
<b>Total</b>	<b>21.15</b>	<b>113.52</b>

### 10A. LOANS

Unsecured , Considered Good		
Loans and Advances to Employees	1.92	2.95
<b>Total</b>	<b>1.92</b>	<b>2.95</b>

### 10B. OTHERS

Unsecured , Considered Good		
Other advances recoverable in cash or kind	15.48	11.61
<b>Total</b>	<b>15.48</b>	<b>11.61</b>

### 11. OTHER CURRENT ASSETS

Unsecured, Considered good		
(a) Gratuity	-	7.54
(b) Prepaid expenses	27.75	38.35
(c) GST Receivable	91.11	65.20
(d) Government Grant Receivable (MP State Gardening Mission)	30.25	-
(e) Others	1.25	18.44
<b>Total</b>	<b>150.36</b>	<b>129.53</b>

# Annual Report 2018-2019

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 12. SHARE CAPITAL

(₹ in Lakhs)

PARTICULARS	As at	
	31st March 2019	31st March 2018
<b>Authorised</b>		
2,50,00,000 (March 31, 2018: 2,50,00,000) Equity Shares of ₹ 5 each (March 31, 2018: ₹ 5 each)	1,250.00	1,250.00
25,00,000 (March 31, 2018 : 25,00,000) 0% Cumulative Redeemable Preference Shares of ₹ 10 each (March 31, 2018: ₹ 10 each)	250.00	250.00
<b>Issued, Subscribed &amp; Fully Paid up</b>		
1,09,26,475 (March 31, 2018: 1,09,26,475) Equity Shares of ₹ 5 each (March 31, 2018: ₹ 5 each) fully paid up	546.32	546.32
<b>Total</b>	<b>546.32</b>	<b>546.32</b>

#### (a) Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of reporting period

PARTICULARS	As at 31st March 2019		As at 31st March 2018	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	1,09,26,475	546.32	1,09,26,475	546.32
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,09,26,475	546.32	1,09,26,475	546.32

#### (b) Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 5 per share (March 31, 2018 : ₹ 5 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their holdings.

#### (c) Details of each Equity Shareholder holding more than 5% of Shares

PARTICULARS	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kesar Corporation Pvt Limited	30,14,439	27.59%	30,14,439	27.59%
Kesar Enterprises Limited	10,40,000	9.52%	10,40,000	9.52%
Vinayak Vasudeo Sahasrabudhe	6,40,348	5.86%	-	-
M H Kilachand	-	-	6,40,348	5.86%

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

- (d) Aggregate Number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

PARTICULARS	Year (Aggregate No. of Shares)				
	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	4,20,249	-	-	-
Shares bought back	-	-	-	-	-

### 13. OTHER EQUITY

PARTICULARS	As at 31st March 2019	(₹ in Lakhs) As at 31st March 2018
<b>(a) General Reserve</b>		
Opening Balance	2,974.99	2,974.99
(+) Transfers made during the year	-	-
<b>Closing Balance</b>	<b>2,974.99</b>	<b>2,974.99</b>
<b>(b) Retained Earnings</b>		
Opening Balance	2,160.66	3,009.09
(+) Net Profit/(Loss) for the year	(1,293.83)	(779.77)
(-) Dividend Paid	(109.26)	(54.63)
(-) Dividend Distribution Tax	(22.46)	(11.12)
(-) Reversal of Minority Interest (Loss)/Profit	-	(2.91)
<b>Closing Balance</b>	<b>735.11</b>	<b>2,160.66</b>
<b>(c) Other Comprehensive Income</b>		
Opening Balance	(1.94)	(15.49)
(+) Addition during the year	1.28	13.55
<b>Closing Balance</b>	<b>(0.66)</b>	<b>(1.94)</b>
<b>Total</b>	<b>3,709.44</b>	<b>5,133.71</b>

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## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 14. BORROWINGS

PARTICULARS	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Secured Borrowings</b>		
<b>(i) Term Loans From Banks</b>		
<b>Corporate Loan</b>		
<b>Term Loan II</b>	109.34	404.34
Secured by exclusive charge on all tanks, movable Fixed Assets and Current Assets both present and future at Kandla. (Terminal I & II)		
<b>Terms of Repayments:-</b> Repayable from Nov'2016 in 48 Equal Monthly Installments. Interest is payable at Base Rate of Lender Bank Plus 2.50% p.a. with monthly rest.		
<b>Term Loan III</b>	49.32	369.31
Secured by exclusive charge on all tanks, movable Fixed Assets and Current Assets both present and future at Kandla. (Terminal I & II)		
<b>Terms of Repayments:-</b> Repayable from Apr'2018 in 48 Equal Monthly Installments. Interest is payable at 1Year MCLR of Lender Bank Plus 3.90% p.a. with monthly rest.		
<b>(ii) From others (Various Banks and Finance Companies)</b>		
<b>Vehicle Loans</b>	12.99	10.46
Secured by way of hypothecation of respective vehicles.		
<b>Terms of Repayments:-</b> Repayable in 36 to 60 Equated Monthly Installments starting from the date of the loan and carrying Interest ranging from 8.41% to 14.00% p.a.		
<b>Total Secured Borrowings</b>	171.65	784.11
[Out of total Secured Borrowings of ₹ 552.49 lakhs (March 31, 2018 : ₹ 1167 lakhs), borrowings of ₹ 380.84 lakhs (March 31, 2018 : ₹ 382.89 lakhs) having Current Maturities, have been disclosed in note no.19]		
<b>Total</b>	<b>171.65</b>	<b>784.11</b>
<b>15. OTHERS</b>		
Mandi Board Premium Payable	383.40	383.40
<b>Total</b>	<b>383.40</b>	<b>383.40</b>
<b>16. PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Gratuity (Funded) (refer note no.32)	5.88	3.76
Leave Encashment (Unfunded)	63.26	53.22
<b>Total</b>	<b>69.14</b>	<b>56.98</b>

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 17. DEFERRED TAX LIABILITIES (NET)

PARTICULARS	As at 31st March 2019	(₹ in Lakhs) As at 31st March 2018
<b>(a) Deferred Tax Assets</b>		
Expenses allowable on payment basis for Tax purposes as per section 43B of Income Tax Act,1961	(15.77)	(15.55)
Fair Valuation of Investments	-	-
<b>(b) Deferred Tax Liability</b>		
Impact of difference between Tax base & carrying value as per financial statements	346.78	342.35
<b>(c) MAT credit entitlement</b>		
	(152.95)	(58.93)
<b>Net Deferred Tax Liabilities (a+b+c)</b>	<b>178.06</b>	<b>267.87</b>

### 18. TRADE PAYABLES

Total outstanding dues of micro enterprises and small enterprises (refer note no. 40)	19.36	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	746.97	569.53
<b>Total</b>	<b>766.33</b>	<b>569.53</b>

### 19. OTHERS

<b>(a) Current maturities of long-term debt</b>		
Current maturities of long-term debt - secured borrowings (refer note no. 14)	380.84	382.89
<b>(b) Interest accrued but not due on borrowings</b>		
	6.27	12.65
<b>(c) Unclaimed dividends</b>		
	13.05	13.88
<b>(d) Recalled Long Term Borrowings including Interest (Secured) (also refer note no.14 &amp; 30) *</b>		
	11,507.36	10,120.40
<b>(e) Current maturities-Mandi Board Premium Payable</b>		
	-	127.80
<b>(f) Unearned Income</b>		
	74.32	-
<b>Total</b>	<b>11,981.84</b>	<b>10,657.62</b>

\* Recalled Long Term Borrowings including Interest (Secured)-Project Loans

**Primary Security :** Secured by way of 1st charge on all fixed assets excluding Land (since the land is given by the Mandi Board under the concession agreement) of the proposed composite logistics hub at Powerkheda, Madhya Pradesh on paripassu basis.

**Collateral security :** 2nd charge over all current assets (present & future) of the proposed Composite Logistics Hub at Powerkheda, Madhya Pradesh on paripassu basis.

**Corporate Guarantee :** Corporate guarantee of Kesar Terminals & Infrastructure Limited (Holding Company).

# Annual Report 2018-2019

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### Terms of Repayment:

Term Loans are repayable in 16 to 28 equal quarterly installments after the moratorium period ranging from 3 to 4 years (previous year 2 to 3 years) from the date of first disbursement of the respective term loans.

### Rate of interest:

Rate of Interest is in the range of 10.50% to 12.70% (PY 10.50% to 13.25%)

### 20. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	As at 31st March 2019	As at 31st March 2018
(a) Income Received in Advance	0.09	25.75
(b) Advance from Customers	2.52	1.54
(c) Payable to Related Party	-	86.25
(d) Statutory Dues	111.04	63.77
(e) Payables (For other contractual obligations)	4.34	10.83
(f) Payables (For Capital Goods)	589.94	612.08
(g) Outstanding Liabilities for expenses	51.39	40.68
<b>Total</b>	<b>759.32</b>	<b>840.90</b>

### 21. PROVISIONS

#### Provision for employee benefits

(i) Gratuity (Funded) {refer note no. 32}	2.62	0.01
(ii) Leave Encashment (Unfunded)	20.21	19.06
<b>Total</b>	<b>22.83</b>	<b>19.07</b>

### 22. CURRENT TAX LIABILITIES (NET)

Provision for Income Tax	192.25	439.89
[Net of Advance Income Tax of ₹ 1462.29 lakhs (March 31,2018 : ₹ 1553.12 lakhs)]		
<b>Total</b>	<b>192.25</b>	<b>439.89</b>



# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 23. REVENUE FROM OPERATIONS

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Sale of Services	4,184.39	4,403.51
(Income from providing storage tanks on hire/rental basis for liquid cargo and other related services at Kandla, Gujarat and composite logistic hub at Powerkheda, Madhya Pradesh)		
(b) Other operating revenue (Handling charges)	1.14	1.23
<b>Total</b>	<b>4,185.53</b>	<b>4,404.74</b>

### 24. OTHER INCOME

(a) Interest on		
(i) Fixed Deposits	4.10	10.51
(ii) Others	2.45	21.81
(b) Dividend Income	-	0.01
(c) Credit Balance Written Back	9.11	38.90
(d) Sale of Scrap	10.24	4.98
(e) Profit on Sale of Property, Plant and Equipment	12.21	-
(f) Miscellaneous Receipts	2.50	4.15
<b>Total</b>	<b>40.61</b>	<b>80.36</b>

### 25. EMPLOYEE BENEFIT EXPENSE

(a) Salaries and Wages	836.18	773.62
(b) Contribution to Provident Fund	68.13	59.70
(c) Contribution to Gratuity Fund (refer note no. 32)	13.66	29.87
(d) Staff Welfare	16.03	18.80
<b>Total</b>	<b>934.00</b>	<b>881.99</b>

### 26. FINANCE COST

(a) Interest Expense	1,773.85	1,415.61
(b) Other Borrowing Costs		
(i) Finance Charges	22.74	28.02
(ii) Others including Bank Charges	0.44	1.60
<b>Total</b>	<b>1,797.03</b>	<b>1,445.23</b>

### 27. OTHER EXPENSES

(a) Storage & Handling Charges	51.78	61.73
(b) Transportation, Labour and Handling Charges	208.97	171.04
(c) Power & Fuel	123.04	123.28
(d) Rent	513.33	788.24
(e) Equipment Hire Charges	52.80	21.08
(f) Repairs		

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## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

PARTICULARS	(₹ in Lakhs)	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(i) Plant & Machinery	139.76	215.59
(ii) Buildings	11.68	4.07
(iii) Others	32.34	32.14
(g) Insurance	38.91	39.59
(h) Rates & Taxes	45.67	16.18
(i) Selling agent Commission & Brokerage	0.54	1.07
(j) Legal & Professional Fees	164.43	127.82
(k) Directors Sitting Fees	15.60	16.35
(l) Auditors Remuneration		
(i) Audit Fees	5.65	5.65
(ii) For Certification	2.10	2.10
(iii) Out Of Pocket Expenses	0.28	0.19
(m) Bad Debts	21.68	-
(n) Allowance for doubtful debts	4.94	-
(o) Travelling Expenses	75.36	36.91
(p) Security Service Charges	21.85	18.11
(q) Issue Expenses for Redeemable Preference Shares	-	9.82
(r) Connectivity and Internet Charges	10.86	8.61
(s) CSR Expenditure u/s 135 of Companies Act, 2013 (refer note 36)	-	5.00
(t) Miscellaneous Expenses	171.45	161.12
<b>Total</b>	<b>1,713.02</b>	<b>1,865.69</b>

### 28 Capital and other Commitments

PARTICULARS	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Other :</b>		
Estimated amount of contracts remaining to be executed and not provided for	1,135.18	1,130.50
<b>Total</b>	<b>1,135.18</b>	<b>1,130.50</b>

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 29 Contingent Liabilities

(₹ in Lakhs)

PARTICULARS	As at 31st March 2019	As at 31st March 2018
(a) Claims against the Company not acknowledged as debts:		
i) Additional demand on account of revision in rates of Lease Rent	3,128.13	1,831.15
ii) Additional demand on account of Transfer fee/upfront rent for change in name *	1,583.54	1,583.54
iii) Additional demand on account of Electricity Charges **	53.42	53.42
iv) Additional Demand on account of Foreclosure	5.25	5.25
b) Guarantee: (Refer note 30)		
Corporate Guarantee given in favour of Banker's, towards credit facilities granted to Kesar Multimodal Logistics Limited (Subsidiary Company) (KMLL) to set up a "Composite Logistics Hub" at Powarkheda in Madhya Pradesh.(inclusive of Bank Guarantee issued in favour of Madhya Pradesh State Agricultural Marketing Board for ₹ 700 lakhs)	10,811.00	10,811.00
Bank Guarantee in favour of Commissioner of Customs, Kandla	3.75	3.75
Bank Guarantee in favour of Director General of Fire Services, Andhra Pradesh	9.33	9.33
Given to Principal Commissioner of Customs & Central Excise, Bhopal	50.00	50.00
Claims against the company not acknowledged as debts	427.79	-
c) Disputed liability on account of Income Tax	18.61	18.61
<b>Total</b>	<b>16,090.82</b>	<b>14,366.05</b>

\* Pursuant to Scheme of Demerger, the Company has requested Deendayal Port Trust (DPT) (formerly known as Kandla Port Trust (KPT)) for transfer of leasehold land situated at Kandla in its name which is presently in the name of Kesar Enterprises Ltd. However, DPT has raised a demand on account of such transfer/ upfront fee for change in the name. The Company has filed a writ petition in High Court of Gujarat, against the demand raised by the DPT and is of the view that the demand raised is likely to be deleted or substantially reduced and hence no provision is made in books of accounts. However, for certain portion of leasehold land where the lease period is expired and the same is pending for renewal by DPT, the Company has filed writ petition/application for the renewal of the said lease and is of the view that lease shall be renewed by DPT. Pending outcome of the writ petition filed in High Court of Gujarat, depreciation on Assets constructed at lease hold land has been charged as per the rates prescribed in Schedule II of the Companies Act 2013.

\*\* Hon'ble High Court of Gujarat has set aside demand of Gujarat Electricity Board; contrarily Gujarat Electricity Board has filed Special Leave Petition in Supreme Court. Order is awaited.

- 30** The total outstanding loans availed by the Company's subsidiary Kesar Multimodal Logistics Ltd (KMLL) as at 31.03.2019 is ₹ 11,507.36 Lakhs (Previous Year ₹ 10,120.40 Lakhs). Strategic Debt restructuring (SDR) of KMLL was invoked and approved by the Banks on 20.11.2017. However, upon withdrawal of the SDR scheme by RBI vide circular dated 12.02.2018, the account of KMLL has been classified as a Non-Performing Asset (NPA), thereafter Dena Bank has vide its letter dated 28.03.2018 recalled the loans from KMLL and invoked the Corporate Guarantee given by the Company, which has been contested by the Company.

KMLL had filed a Special Leave Petition (SLP) with the Hon'ble Supreme Court of India against the applicability of the said RBI circular and the Hon'ble Supreme Court of India has, on 02.04.2019, quashed the impugned Circular dated 12.02.2018 issued by RBI as such all the actions taken under the said circular, including actions by which the Insolvency Code has been triggered must fall along with the said Circular.

Dena Bank has filed upon the KMLL and the Company a petition under the Insolvency and Bankruptcy Code, (IBC) 2016 in The National Company Law Tribunal (NCLT) Mumbai on 30.10.2018. Both the petitions are yet to be admitted by NCLT.

Further, KMLL has filed a Writ in the Hon'ble High Court of Bombay praying for reinstatement of the SDR the outcome of which is awaited.

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## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 31 Capital Work in Progress includes

(₹ in Lakhs)

PARTICULARS	As at	As at
	31st March 2019	31st March 2018
MS Tank	-	29.35
Building-Railways Warehousing	488.27	488.27
Truck Parking Area	9.53	9.53
Preoperative Expenses		
Other Miscellaneous Expenses	11.05	11.05
<b>Total</b>	<b>508.85</b>	<b>538.20</b>

### 32 Employee Benefit

#### Defined Benefit Plan (Gratuity Fund) - Funded

In accordance with Indian Accounting Standard 19 "Employee Benefits", actuarial valuation was performed by independent actuaries in respect of the aforesaid defined benefit plan.

#### (a) The amounts recognized in the balance sheet are as follows:

(₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Present Value of funded obligations	223.27	253.68
Fair Value of plan assets	(214.77)	(257.43)
Net liability /(Assets)	8.50	(3.76)
Amount in balance sheet		
Liabilities/ (Assets)	8.50	(3.76)

#### (b) The amounts recognized in the statement of profit and loss are as follows:

(₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Current service cost	13.96	14.52
Interest on obligation	(0.30)	2.88
Past Service Costs	-	12.25
Total included in employee benefit expense	13.66	29.65

#### (c) Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening defined benefit obligation	253.68	233.46
Current Service costs	13.96	14.52
Interest costs	19.99	16.98
Past Service Cost	-	12.25
Actuarial losses (gains)	(6.37)	(14.01)
Benefits paid	(57.98)	(9.53)
Closing defined benefit obligation	223.27	253.68

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(d) The amount recognized in the other comprehensive Income (OCI) is as follows: (₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Actuarial (Gains)/Losses on obligation for the period	(6.38)	(14.01)
Return on Plan Assets, excluding interest income	4.98	(4.70)
Net actuarial losses (gains) recognized in year	(1.40)	(18.71)

(e) The Reconciliation of Balance Sheet in the statement are as follows: (₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening net Liability	(3.76)	39.51
Expenses recognized in Statement of Profit or Loss	13.66	28.67
Expenses recognized in OCI	(1.40)	(17.73)
Net Liability / (asset) Transfer In	-	(33.51)
Employers Contribution	-	(20.70)
Net Liability/(Assets) Recognised in the Balance Sheet	8.50	(3.76)

(f) The amount recognized Interest Cost in the statement are as follows: (₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Present Value of Benefit Obligation	255.81	233.46
Fair Value of Plant Assets	(257.43)	(193.95)
Net Liability / (Assets) At the Beginning	(1.62)	39.51
Interest Cost	20.16	16.98
Interest Income	(20.29)	(14.10)
Net Interest cost for Current Period	(0.12)	2.88

(g) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows: (₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening fair value of plan assets	257.43	193.95
Adjustment in funds	-	-
Expected return on plan assets	20.29	14.10
Actuarial gains / (losses)	(4.98)	4.70
Contributions by employer	-	20.70
Assets Transferred In/Acquisitions	-	33.51
Benefits paid	(57.98)	(9.53)
Closing fair value of plan assets	214.77	257.43

Plan Assets are invested in Group Gratuity Scheme of Life Insurance Corporation of India.

# Annual Report 2018-2019

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(h) **Principal actuarial assumptions at the balance sheet date:** (₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Discount rate	7.76%	7.88%
Salary escalation rate	8.00%	8.00%
Expected return on plan assets	7.76%	7.88%
Attrition rate	1.00%	1.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The expected rate of return on plan assets is based on the expectations of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The estimates of future salary increases are considered taking into account inflation, seniority promotion and other relevant factors.

(i) **Amounts for the current and previous four years are as follows:** (₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan				
	For the year ended 31st March 2019	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015
Defined benefit obligation	223.27	253.68	233.46	211.25	196.06
Plan assets	214.77	257.43	193.95	188.00	188.01
Surplus/ (deficit)	(8.50)	3.76	(39.51)	(23.25)	(8.05)

(j) **Experience Adjustment:** (₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan				
	For the year ended 31st March 2019	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015
On plan Liability (Gains)/ Losses	(8.03)	(5.01)	(3.90)	(2.53)	26.79
On plan Assets Gains/ (Losses)	(4.98)	4.70	(15.04)	(15.04)	(0.46)

### Defined Contribution Plans

Amount recognized as expense in respect of Compensated Leave Absence is ₹ 23.77 Lakhs (Previous Year ₹ 6.98 Lakhs).

Amount recognized as an expense in respect of "Contribution to Provident and other Funds" is ₹ 68.13 Lakhs (Previous Year ₹59.70 Lakhs)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2019**

(k) **Sensitivity Analysis**

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Projected Benefit Obligation on Current Assumptions	223.27	253.68
Delta Effect of +1% Change in Rate of Discounting	(14.54)	(13.84)
Delta Effect of -1% Change in Rate of Discounting	16.54	15.69
Delta Effect of +1% Change in Rate of Salary Increase	14.45	13.27
Delta Effect of -1% Change in Rate of Salary Increase	(12.95)	(12.20)
Delta Effect of +1% Change in Rate of Employee Turnover	0.05	0.13
Delta Effect of -1% Change in Rate of Employee Turnover	(0.08)	(0.15)

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

**Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and company is exposed to the following risks:

**Interest rate risk:** A fall in the discount rate which is linked to the Government Securities. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

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## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 33 RISK MANAGEMENT FRAMEWORK

The Company's principal financial liabilities, comprises borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations directly or indirectly. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. Market risk is applicable to variable rate borrowing. Equity risk is not applicable since company does not have equity investments. Foreign exchange risk is not applicable since the company does not have long term imports. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

Risk Management	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits
Liquidity Risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Interest rate risk	Variable Rate Borrowing	Interest rate sensitivity	Mix of fixed versus floating rate

#### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

#### Trade receivables

Outstanding customer receivables are regularly monitored and any further services to major customers are approved by the senior management.

On account of adoption of Ind-AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

#### a) Ageing :

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
0-180 days	639.41	373.76
More than 180 days	26.04	44.52
<b>Total</b>	<b>665.45</b>	<b>418.28</b>

#### b) Movement in expected credit loss allowance on trade receivables :

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	8.36	10.61
Add:- Additional provision made	4.95	0.08
Less:- Provision write off	-	-
Less:- Provision reversed	-	2.32
<b>Balance at the end of the year</b>	<b>13.31</b>	<b>8.37</b>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2019**

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's finance department.

**Liquidity Risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, preference shares and unsecured loans.

The table below provides details regarding the maturities of significant financial liabilities as of March 31, 2019 and March 31, 2018

**Year ended 31st March, 2019**

(₹ in Lakhs)

Particulars	Upto 1 Year	1 to 5 years	> 5 years	Total
Term Loans	11,882.36	158.65	-	12,041.02
Car Loan	5.84	12.99	-	18.83
Trade Payables	766.33	-	-	766.33
Others	93.64	383.40	-	477.04

**Year ended 31st March, 2018**

(₹ in Lakhs)

Particulars	Upto 1 Year	1 to 5 years	> 5 years	Total
Term Loans	10,495.40	773.65	-	11,269.06
Car Loan	7.89	10.46	-	18.35
Trade Payables	569.54	-	-	569.54
Others	49.04	383.40	-	432.44

**Interest rate risk**

The Company has MCLR based borrowing and depending on the interest rate scenario, the company decides on the mix of fixed rate versus variable rate borrowing.

**Interest rate sensitivity**

Variable interest rate loans are exposed to interest rate risk, the impact on profit or loss before tax may be as follows:

(₹ in Lakhs)

PARTICULARS	Impact on profit before tax	
	2018-19	2017-18
Interest rate – increase by 100 basis points (100 bps)	117.82	109.36
Interest rate – decrease by 100 basis points (100 bps)	(117.82)	(109.36)

**34 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the value of the share and to reduce the cost of capital.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

# Annual Report 2018-2019

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Lakhs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Net Debt		
Long term Borrowing and Other Current Liabilities	12,059.85	11,287.40
Cash and Cash Equivalent	138.69	159.09
Equity	-	-
Equity share capital	546.32	546.32
Other Equity	3,709.44	5,133.71
<b>Net debt/Equity Ratio</b>	<b>2.80</b>	<b>1.96</b>

### 35 Financial Instruments by category

The criteria for recognition of financial instruments is explained in significant accounting policies.

(₹ in Lakhs)

PARTICULARS	As at 31st March, 2019			As at 31st March, 2018		
	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL
<b>Financial Assets</b>						
Non-Current Financial Assets						
-Other Non Current Assets	58.61			128.22		
-Trade Receivable	652.14			409.91		
-Cash and Cash equivalent	138.69			159.09		
-Other Bank Balances	21.15			113.52		
Current Financial Assets-Others	17.40			14.57		
<b>Total financial Asset</b>	<b>887.99</b>			<b>825.31</b>		
Financial Liabilities						
-Long term Borrowings	171.65			784.11		
-Other Non Current Financial Liabilities	383.40			383.40		
-Trade payable	766.32			569.53		
-Other Financial Liabilities	11,981.84			10,657.62		
<b>Total financial liabilities</b>	<b>13,303.21</b>			<b>12,394.66</b>		

### 36 CSR Expenditure:

(₹ in Lakhs)

Particulars	For the year ended 31st March 2019 (₹)	For the year ended 31st March 2018 (₹)
a) Gross Amount required to be spent by the Company during the year	45.87	44.09
b) Amount spent during the year	-	5.00

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 37 Segment Reporting

Both the companies are mainly engaged in Logistics Business in India and there is no other reportable business and geographical segment as required by Indian Accounting Standard 108.

### 38 Related party disclosures under Indian Accounting Standard -24

#### Names of related parties and nature of related party relationships:

#### (a) Key Management Personnel and their relatives:

##### Key Management Personnel:

Mr. H R Kilachand	Executive Director (w.e.f. 20.12.2017)
Mrs. M H Kilachand	Promoter Director (upto 07.11.2017)
Mr. Rohan H Kilachand	Executive Director (upto 31.05.2017)
Ms. Rohita H Kilachand	Vice President-HR, CSR & IO (upto 14.08.2017)
Mr. Mahesh Adapa	CEO (upto 28.02.2019)

##### Relatives of Key Management Personnel:

Mrs. Nidhi R Kilachand	Wife of Executive Director (Mr. Rohan H Kilachand)
------------------------	--

#### (b) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence

Kesar Enterprises Limited  
Kesar Corporation Pvt. Ltd.  
Indian Commercial Co. Pvt. Ltd.  
Kilachand Devchand & Co. Pvt. Ltd.  
Kilachand Devchand Commercial Pvt. Ltd.  
India Carat Pvt Ltd  
Seel Investment Pvt. Ltd.

#### (c) Others-Independent and Non-Executive Directors

Mr.A.S.Ruia  
Mr.J.N.Godbole  
Mr.R.S.Loona  
Mr.J.K.Devgupta  
Mrs.Nilima Ashok Mansukhani

# Annual Report 2018-2019

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Lakhs)

Particulars	Kesar Enterprises Limited	Kesar Corporation Ltd	H R Kilachand	M H Kilachand	Jayanto Kumar Deygupta	Rohan H Kilachand	Rohita H. Kilachand	Mahesh Adapa
<b>(a) Transactions</b>								
Reimbursement of Expenses	9.76 (97.33)							
Managerial Remuneration			89.91 (26.50)		1.58 (28.42)			
Director Fees/ Commission				Nil (0.60)		Nil (0.60)		
Retainership Fees & Driver's Reimbursement					45.51 (3.22)			
Interest Paid	Nil (1.31)	1.34 (4.10)						
Salary paid						Nil (5.80)	Nil (5.57)	44.54 (Nil)
Loan Taken	Nil (50.00)	Nil (48.00)						
Loan Repaid	Nil (50.00)	35.00 (13.00)						
Purchase of Investment	Nil (2.50)							
<b>(b) Balance outstanding</b>								
Payable for Expenses Short term	Nil (24.01)							
Managerial Remuneration			Nil (23.55)		Nil (2.08)			
Retainership Fees & Driver's Reimbursement					7.03 (Nil)			
Salary								5.54 (Nil)
Loan Taken		Nil (38.69)						

(Figures in brackets represents previous year)

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### Director's Sitting fees paid to Independent and Non-Executive Directors

(₹ in Lakhs)

Name of the Director	For the year ended 31st March 2019	For the year ended 31st March 2018
A.S.Ruia	4.80	6.35
J.N.Godbole	3.20	4.30
R.S.Loona	5.00	3.50
Nilima Ashok Mansukhani	1.40	-
J.K.Devgupta	1.20	0.80

Dividend Paid to Key Management Personnel and their relatives, Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence:

(₹ in Lakhs)

Name	For the year ended 31st March 2019	For the year ended 31st March 2018
Harsh R Kilachand	4.99	2.37
Madhavi Harsh Kilachand	6.40	3.20
Rohan Harsh Kilachand	3.05	1.38
Rohita Harsh Kilachand	3.03	1.37
Harsh Rajnikant Kilachand (HUF)	0.40	0.20
Indian Commercial Co. Pvt. Ltd.	3.38	1.69
Seel Investment Pvt. Ltd.	3.20	1.60
Indian Carat Pvt Ltd	0.15	0.07
Kesar Corporation Pvt Ltd	30.14	15.07
Kesar Enterprises Ltd	10.40	5.20

### 39 Supplementary statutory information

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Expenditure in foreign currency (Foreign Travelling & Business Promotion Expenses)	13.91	1.39

# Annual Report 2018-2019

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

- 40 The Micro, Small and Medium Enterprises to whom amount was payable and outstanding for more than stipulated period (as per the terms & conditions of the orders) are as under: -

(₹ in Lakhs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier	13.31	-
The amount of Principal and interest paid beyond the appointed day	-	-
The amount of interest due and payable on delayed payments	0.44	-
The amount of interest accrued and remaining unpaid	0.44	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

This disclosure is on the basis of information available with the Company regarding the status of Suppliers as defined under the "The Micro, Small & Medium Enterprises Act, 2006." Since the Company has not received any claims, hence interest is provided but not paid during the period.

- 41 Earnings per Share (EPS):

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Basic & Diluted EPS:		
a) Net profit attributable to Equity Shareholders (₹ in Lakhs)	(1293.83)	(781.17)
b) Weighted average number of Equity Shares Outstanding (Nos.)	1,09,26,475	1,09,26,475
Basic & Diluted EPS (₹)	(11.84)	(7.15)
Face Value per Share (₹)	5.00	5.00

- 42 The common corporate expenses incurred at Corporate Head Office at Mumbai for the year have been allocated as per the Sharing Agreement between Kesar Enterprises Ltd. and the Company. The amount allocated to the Company is ₹ 9.76 Lakhs (Previous Year ₹ 97.33 Lakhs).

- 43 Tax Expenses

- (a) Income tax expense

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Current tax		
profits for the year	423.00	410.00
Adjustments for current tax of prior year	(185.12)	(204.02)
<b>Total-A</b>	<b>237.88</b>	<b>205.98</b>
Deferred tax		
Deferred tax charge/(credit)	4.09	(36.20)
MAT credit Entitlement	(94.02)	(58.92)
<b>Total-B</b>	<b>(89.93)</b>	<b>(95.12)</b>
<b>Total tax expense-(A+B)</b>	<b>147.95</b>	<b>110.86</b>

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

b) Reconciliation of tax expense and the tax based on accounting profit

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Profit before tax	1,906.21	1,996.87
Income tax expense calculated at 29.12%	555.09	575.90
(i) Tax effect of:		
<b>Add :</b>		
Corporate social responsibility expenses not allowed as deduction	-	1.44
Provisions for Retirement Benefits	7.18	5.22
Difference in Depreciation and Amortisation	2.46	(0.61)
Previously unrecognised tax losses now recouped to reduce current tax expense	(4.87)	(12.05)
Deduction available as per section 80-IA of the Income Tax Act, 1961	(136.46)	(138.99)
Deferred Tax Expense for the year	4.22	(36.20)
Profit on Sale of Fixed Assets	(3.56)	-
Additional Income as calculated by using effective interest rate	(92.19)	(79.16)
Provisions for doubtful Debts	1.20	(0.67)
Excess provision of previous years reversed	(185.12)	(204.02)
<b>Total Expenses</b>	<b>147.95</b>	<b>110.86</b>

The following table provides the details of income tax assets and liabilities as at 31st March, 2019 and 31st March, 2018:

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Income tax assets	1,462.29	1,553.12
Current income tax liabilities	1,654.54	1,993.01
<b>Net balance</b>	<b>192.25</b>	<b>439.89</b>

# Annual Report 2018-2019

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

The gross movement in the current tax asset/ (liability) for the years ended 31st March, 2019 and 31st March, 2018 is as follows :

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2019	For the year ended 31st March 2018
Net current income tax liability at the beginning	439.89	892.01
Income tax paid	(485.51)	(645.20)
Current income tax expense	423.00	410.10
Previous years adjustment	(185.12)	(167.02)
Net current income tax liability at the end	192.25	439.89

Since the subsidiary company has incurred losses during both the years, there is no tax payable for the year.

44 **Additional information as required under Schedule III of Companies Act, 2013:**

Name of the entity in the	For the Year Ended 31st March 2019							
	Net Assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹in Lakhs)	As % of consolidated profit/(loss)	Amount (₹in Lakhs)	As % of consolidated profit/(loss)	Amount (₹in Lakhs)	As % of consolidated profit/(loss)	Amount (₹in Lakhs)
<b>Parent</b>								
Kesar Terminals & Infrastructure Ltd	316.47%	13,468.10	(142.76%)	1,847.07	23.36%	0.30	(142.93%)	1,847.37
<b>Subsidiary</b>								
<b>Indian</b>								
Kesar Multimodal Logistics Limited	(2.29%)	(97.60)	236.24%	(3,056.60)	76.64%	0.98	236.41%	(3,055.62)
Intercompany Elimination and Consolidation Adjustments	(214.18%)	(9,114.74)	6.52%	(84.30)	0.00%	0.00	6.52%	(84.30)
<b>Total</b>	<b>100.00%</b>	<b>4,255.76</b>	<b>100.00%</b>	<b>(1,293.83)</b>	<b>100.00%</b>	<b>1.28</b>	<b>100.00%</b>	<b>(1,292.55)</b>
Owners of the Company	100.00%	4,255.76	100.00%	(1,293.83)	100.00%	1.28	100.00%	(1,292.55)
Non Controlling Interest in Subsidiary	-	-	-	-	-	-	-	-



# KESAR TERMINALS & INFRASTRUCTURE LIMITED

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Name of the entity	For the Year Ended 31st March 2018							
	Net Assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit/(loss)	Amount (₹ in Lakhs)	As % of consolidated profit/(loss)	Amount (₹ in Lakhs)	As % of consolidated profit/(loss)	Amount (₹ in Lakhs)
<b>Parent</b>								
Kesar Terminals & Infrastructure Ltd	206.91%	11,752.46	(248.77%)	1,943.29	92.74%	12.56	(254.79%)	1955.85
<b>Subsidiary</b>								
<b>Indian</b>								
Kesar Multimodal Logistics Limited	41.13%	2,336.45	342.01%	(2,671.68)	7.26%	0.99	347.92%	(2,670.70)
Intercompany Elimination and Consolidation Adjustments	(148.04%)	(8,408.88)	6.76%	(52.78)	0.00%	-	6.87%	(52.78)
<b>Total</b>	<b>100.00%</b>	<b>5,680.03</b>	<b>100.00%</b>	<b>(781.17)</b>	<b>100.00%</b>	<b>13.55</b>	<b>100.00%</b>	<b>(767.62)</b>
Owners of the Company	-	-	99.82%	(779.77)	100.00%	13.55	99.82%	(766.22)
Non Controlling Interest in Subsidiary	-	-	0.18%	(1.40)	-	-	0.18%	(1.40)

**45** The Hon'ble Supreme Court of India by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the Hon'ble Supreme Court of India for disposal.

Pending decision on the subject review petition and directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

**46** The previous year figures have been regrouped and reclassified wherever necessary to correspond with the current year classification/disclosure.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

**For Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI FRN NO.103523W / W100048

**Sumant Sakhardande**  
Partner  
Membership No. 034828

Place: Mumbai  
Date: 16th May, 2019

For and on behalf of the Board of Directors

**H R Kilachand**  
Executive Chairman  
DIN 00294835

**V J Doshi**  
Chief Financial Officer

**A S Ruia**  
Director  
DIN 00296622

**Sarika Singh**  
Company Secretary

Place: Mumbai  
Date: 16th May, 2019

# Annual Report 2018-2019

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

(₹in Lakhs)

1.	Sr. No.	:	1
2.	Name of the subsidiary	:	Kesar Multimodal Logistics Ltd.
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	31st March, 2019
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	:	NA
5.	Share capital	:	4180.00
6.	Reserves & surplus	:	4277.60
7.	Total assets	:	15,201.70
8.	Total Liabilities	:	15,299.30
9.	Investments	:	Nil
10.	Turnover	:	484.75
11.	Profit/(Loss) before taxation	:	(3,056.59)
12.	Provision for taxation	:	Nil
13.	Profit/(Loss) after taxation	:	(3,056.59)
14.	Proposed Dividend	:	Nil
15.	% of shareholding	:	100 %

Notes : The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations : Nil
2. Names of subsidiaries which have been liquidated or sold during the year : Nil

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	-	-	-
2. Shares of Associate/Joint Ventures held by the company on the year end No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding %			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Networth attributable to Shareholding as per latest audited Balance Sheet			
6. Profit / Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations. - NA
2. Names of associates or joint ventures which have been liquidated or sold during the year. - NA

Note : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors

H R Kilachand  
Executive Chairman  
DIN 00294835

A S Ruia  
Director  
DIN 00296622

V J Doshi  
Chief Financial Officer

Sarika Singh  
Company Secretary

Place: Mumbai  
Date: 16th May, 2019

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

CIN: L45203MH2008PLC178061

Registered Office : Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai – 400 020

E-mail: headoffice@kesarinfra.com, Tel: 022-22851737, Fax: 022-22876162

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### 11<sup>th</sup> ANNUAL GENERAL MEETING ON 19<sup>th</sup> SEPTEMBER, 2019

Name of Member(s)		E-mail Id:	
Registered Address		Folio No. / *Client Id *DP Id	

I / We, being the Member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

(1) Name: \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_ E-mail Id: \_\_\_\_\_ or failing him

(2) Name: \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_ E-mail Id: \_\_\_\_\_ or failing him

(3) Name: \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_ E-mail Id: \_\_\_\_\_ or failing him as my /our proxy to attend

as my /our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 11<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 19<sup>th</sup> September, 2019 at 3:30 p.m. at M. C. Chia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001 and at any adjournment thereof in respect of such resolutions as are indicated below:

SR.	RESOLUTION	OPTION	
		For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the audited Standalone and Consolidated Balance Sheet as at 31 <sup>st</sup> March, 2019 and Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.		
2.	To declare dividend on Equity Shares.		
3.	To re-appoint Shri J K Devgupta who retires by rotation.		
4.	To appoint M/s. Chandabhoy & Jassoobhoy, Chartered Accountants as Statutory Auditors of the Company and Fixation of Remuneration		
<b>Special Business</b>			
5.	To re-appoint Shri A S Ruia as Independent Director.		
6.	To re-appoint Shri J N Godbole as Independent Director.		
7.	To re-appoint Shri R S Loona as Independent Director.		
8.	To re-appoint Shri J K Devgupta as Non Executive Non Independent Director		

\*Note: Applicable of investors holding shares in electronic form.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix  
Revenue  
Stamp  
Re. 1

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

#### NOTE:

- (1) The proxy in order to be effective should be duly filled up, stamped, signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 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.
- (4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



# KESAR TERMINALS & INFRASTRUCTURE LIMITED

Form No. MGT- 12

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

## BALLOT PAPER

(To be returned to the Scrutinizer appointed by Company)

### Sr. Particulars

- 1 Name of the first named Shareholder:  
(In Block Letters)
- 2 Postal address:
- 3 Registered Folio No./ \*Client ID No. (\*applicable to investors holding shares in dematerialized form):
- 4 No. of Shares held:

I hereby exercise my vote in respect of the following resolution(s) as set out in the Notice of 11<sup>th</sup> Annual General Meeting of the Company being held on Thursday, 19<sup>th</sup> September, 2019 at 3:30 P.M. at M C Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001, by conveying my assent and dissent to the said Resolution(s) in the relevant box as stated herein below:

No	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	To receive, consider and adopt the audited Standalone and Consolidated Balance Sheet as at 31 <sup>st</sup> March, 2019 and Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.			
2.	Declaration of dividend on Equity Shares.			
3.	Re-appointment of Shri J K Devgupta who retires by rotation.			
4.	Appointment of M/s. Chandabhoy & Jassoobhoy, Chartered Accountants as Statutory Auditors of the Company and Fixation of Remuneration			
5.	Re-appointment of Shri A S Ruia as an Independent Director.			
6.	Re-appointment of Shri J N Godbole as an Independent Director.			
7.	Re-appointment of Shri R S Loona as an Independent Director.			
8.	Re-appointment of Shri J K Devgupta as Non Executive Director Non Independent Director			

### Note:

1. Those shareholders who have already cast their vote electronically shall not vote through Poll at the Annual General Meeting.
2. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot.

Place:

Signature of Member / Beneficial Owner

Date:

Email:

## **INSTRUCTIONS**

1. This Ballot Paper is provided for the benefit of the shareholders or their proxy(ies) for voting by way of Ballot Paper, who does not have access to e-voting facility or who have not voted through e-voting.
2. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot Paper. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and voting by Ballot Paper shall be treated as invalid.
3. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through physical Ballot Paper from shareholders at the venue of the AGM for declaring the final result for each of the resolutions forming part of the AGM Notice of the Company.

### **Process and manner for Members opting to vote by using the Ballot Paper:**

1. Please complete and sign this Ballot Paper and drop in the locked Ballot box placed in the meeting hall for voting purpose.
2. This Ballot Paper should be signed by the shareholders as per the specimen signature(s) registered with the Registrar and Share Transfer Agent of the Company viz. Sharex Dynamic (India) Pvt. Ltd. or by their proxy(ies) duly authorized by the shareholders. In case of joint holding, the Ballot Paper should be completed and signed by the first named shareholder and in his/her absence, by the next name joint holder or by their proxy(ies) duly authorized by any one of the joint holders. A Power of Attorney (POA) holder may vote on behalf of a shareholder, mentioning the registration number of the POA registered with the Company or enclosing the duly attested copy of POA registered with the Company.
3. In case, the shares are held by companies, trusts, societies, etc. the duly completed Ballot Paper should be accompanied by a certified true copy of the relevant Board Resolution/Authorization document(s) consisting therein the attested signature(s) of the authorized person.
4. Votes should be cast for each Resolution either in favour or against by putting the tick (√) mark in the respective column provided in the Ballot Paper.
5. The voting rights of shareholders shall be in proportion of the shares held by them in the Paid-up Equity Share Capital of the Company as on the Cut-off date i.e. 12.09.2019
6. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Papers will be rejected. The Ballot Paper will also be rejected if it is received torned, defaced or mutilated to the extent which makes it difficult for the Scrutinizer to identify either the shareholder or when it is not ascertainable that vote(s) have been cast by shareholder in favour or against the Resolution or when the signature(s) of shareholder cannot be verified with the available records of the Registrar & Share Transfer Agent - Sharex Dynamic (India) Pvt. Ltd.
7. The decision of the Scrutinizer on the validity of the Ballot Papers and any other allied matters thereto shall be final and binding on the shareholders of the Company.
8. The consolidated result for voting done by the shareholders through e-voting & ballot voting for all the Resolutions placed at the AGM and as declared by the Chairman / duly Authorized Person alongwith respective Scrutinizer's Report shall be uploaded on the Company's website i.e. [www.kesarinfra.com](http://www.kesarinfra.com) and on the website of CDSL at [www.evoting.india.com](http://www.evoting.india.com) and will simultaneously be also forwarded to the Stock Exchanges viz. BSE & NSE, where the Company's equity shares are listed.

# KESAR TERMINALS & INFRASTRUCTURE LIMITED

CIN: L45203MH2008PLC178061

Registered Office : Oriental House, 7, Janshedji Tata Road, Churchgate, Mumbai – 400 020

## ATTENDANCE SLIP

(Please fill and hand it over at the entrance of the Meeting Hall)

I hereby record my presence at the 11<sup>th</sup> Annual General Meeting of the Company, to be held on **Thursday, 19<sup>th</sup> September, 2019** at 3:30 p.m. at M. C. Chia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

DP ID No. *		Client ID *	
Folio No.		No. of Shares	

## ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	190809004
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Notes:

- 1 Please read the instructions printed in Note No. (I) to the Notice of 11<sup>th</sup> Annual General Meeting dated 13<sup>th</sup> August, 2019. The Voting period starts from **Monday, 16<sup>th</sup> September, 2019** at 9:00 am and end on **Wednesday, 18<sup>th</sup> September, 2019** at 5:00 pm. The voting module shall be disabled by CDSL for voting thereafter.
2. The Shareholders holding Shares in physical form and not having PAN are requested to refer address sticker to get e-voting sequence no. and password.

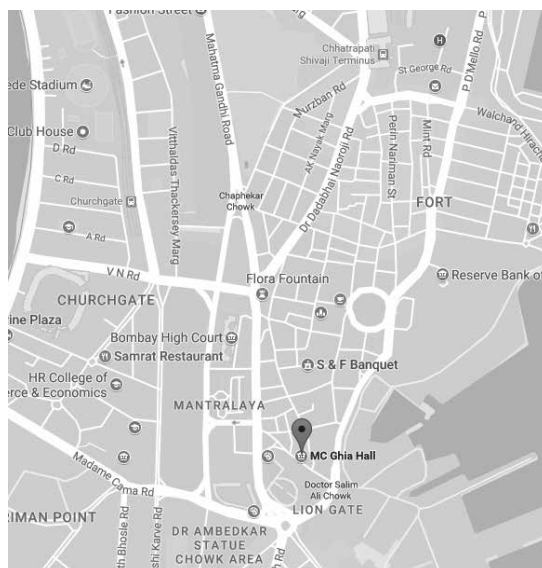
\* Applicable for investor holding shares in electronic mode

**Name and Address of the Member:**

Signature of Member or Proxy or Representative

\* Applicable for investors holding shares in electronic form.

## ROUTE MAP TO THE VENUE OF AGM













*If undelivered please return to:*

**KESAR TERMINALS & INFRASTRUCTURE LIMITED**

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