



KESAR TERMINALS & INFRASTRUCTURE LTD.

CONTENTS

Company Information	1
Notice	2
Directors' Report	9
Management Discussion and Analysis Report	12
Corporate Governance Report	13
Report of the Auditors to the Members	19
Balance Sheet	22
Profit & Loss Account	23
Schedules to the Balance Sheet	24
Schedules to the Profit & Loss	28
Notes Forming part of Accounts	29
Cash Flow Statement	35
General Business Profile	36

KESAR TERMINALS & INFRASTRUCTURE LTD.

(Incorporated under the Companies Act, 1956)

COMPANY INFORMATION

- BOARD OF DIRECTORS** : H. R. KILACHAND (Chairman)
SMT. M. H. KILACHAND
A. S. RUIA
K. KANNAN [w.e.f. 29.1.2010]
J. N. GODBOLE [w.e.f. 29.1.2010]
R. S. LOONA [w.e.f. 1.6.2010]
J. K. DEVGUPTA (Executive Director) [w.e.f. 11.5.2010]
- BANKERS** : Allahabad Bank
Yes Bank
- AUDITORS** : M/s. Haribhakti & Co., Chartered Accountants
- STORAGE INSTALLATIONS** : Kandla (Gujarat)
- REGISTERED OFFICE** : Oriental House,
6th Floor, West Wing,
7, Jamshedji Tata Road,
Churchgate,
Mumbai - 400 020.
- REGISTRAR & TRANSFER AGENTS** : SHAREX DYNAMIC (INDIA) PVT. LTD.
17/B, Dena Bank Building, 2nd Floor,
Horniman Circle, Fort,
Mumbai - 400 001.
- AUDIT COMMITTEE MEMBERS** : A. S. RUIA (Chairman of the Committee)
[w.e.f. 11.5.2010] K. KANNAN
J. N. GODBOLE
R. S. LOONA [w.e.f. 11.8.2010]
H. R. KILACHAND

Annual Report 2009-2010

NOTICE

NOTICE is hereby given that the 2nd Annual General Meeting of the Members of **KESAR TERMINALS & INFRASTRUCTURE LIMITED** will be held on **Tuesday, 14th September, 2010 at 3:30 p.m.** at **M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001** to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on 52,53,113 Equity Shares.
3. To appoint a Director in place of Shri H. R. Kilachand, who retires by rotation but being eligible offers himself for reappointment.
4. To appoint a Director in place of Smt. M. H. Kilachand, who retires by rotation but being eligible offers herself for reappointment.
5. To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an **Ordinary Resolution**:

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

SPECIAL BUSINESS:

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

“RESOLVED THAT Shri K. Kannan who was appointed by the Board of Directors as an Additional Director of the Company on 29.1.2010 and who holds office up to the date of this Annual General Meeting of the members of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing the candidature of Shri K. Kannan for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT Shri J. N. Godbole who was appointed by the Board of Directors as an Additional Director of the Company on 29.1.2010 and who holds office up to the date of this Annual General Meeting of the members of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing the candidature of Shri J. N. Godbole for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT Shri J. K. Devgupta who was appointed by the Board of Directors as an Additional Director of the Company on 11.5.2010 and who holds office up to the date of this Annual General Meeting of the members of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing the candidature of Shri J. K. Devgupta for the office of Director of the Company, be and is hereby appointed as Director of the Company not liable to retire by rotation.”

9. To consider and, if thought fit, to pass with or without modification/s, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri R. S. Loona who was appointed by the Board of Directors as an Additional Director of the Company on 1.6.2010 and who holds office up to the date of this Annual General Meeting of the

KESAR TERMINALS & INFRASTRUCTURE LTD.

members of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing the candidature of Shri R. S. Loona for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

10. To consider and, if thought fit, to pass with or without modification/s the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Section 163 of the Companies Act 1956, approval be and is hereby granted for keeping the Register of Members, Indexes of Members, the Registers and Indexes of Debentureholders, copies of Annual Returns and other related books and documents prepared under Section 159 of the Companies Act 1956, at the premises of the Company's Registrar and Share Transfer Agent, M/s. SHAREX DYNAMIC (INDIA) PVT. LTD. at 17/B Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400001 and / or at Unit No. 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai 400072."

11. To consider and, if thought fit, to pass with or without modification/s the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 316, Schedule XIII read with Section III thereto and other applicable provisions, if any, of the Companies Act, 1956 including, any statutory amendment, modification or re-enactment thereof and other requisite approvals as may be necessary, approval of the Members of the Company, be and is hereby accorded for appointment of Shri H. R. Kilachand as Whole-time Director designated as Executive Chairman of the Company with substantial powers of management, for a period, not exceeding, 3 years with effect from 14.9.2010 on a remuneration and on the terms and conditions as per Schedule XIII to the Act, and as specifically set out below:

I. SALARY:

[A] In case, the Company has sufficient Net Profit (calculated as per Section 349 of the Act) in any financial year:

- (i) Salary upto Rs.3,00,000/- per month or Rs.36,00,000/- per annum in the scale as may be decided by the Board based on the performance of the Company subject to specified ceiling limit of the Net Profit;
- (ii) Incentives, not exceeding the specified ceiling limit of the Net Profit of the Company for each financial year or part thereof computed in the manner as laid down under Section 349 of the Companies Act, 1956 and subject to the overall ceiling laid down under Section 198 and 309 of the Companies Act, 1956 after deducting Salary & Perquisites as provided herein.

OR

[B] In case, the Company has no profits or its profits are inadequate:

Salary Rs.1,80,000/- per month or Rs.21,60,000/- per annum plus perquisites as mentioned hereunder, as Minimum Remuneration as per Para (B) of Schedule XIII.

II. PERQUISITES:

Shri H. R. Kilachand shall be entitled to House Rent Allowance not exceeding 60% of the salary, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules restricted to an amount equal to the annual salary payable to Shri H. R. Kilachand.

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

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

- i. The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund. The same will not be included in the computation of the ceiling limit to the extent of the same either singly or put together are not taxable under the Income Tax Act.

Annual Report 2009-2010

- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- iii. Encashment of leave at the end of the tenure.

"RESOLVED FURTHER THAT Shri H. R. Kilachand shall be regarded as a Director liable to retire by rotation."

"RESOLVED FURTHER THAT the remuneration as per para I [B] above shall nevertheless be paid and allowed to Shri H. R. Kilachand as the Whole-time Director of the Company as the Minimum Remuneration, but not exceeding overall ceiling limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto from time to time, notwithstanding that in any financial year of the Company during the tenure of office of Shri H. R. Kilachand, the Company may have made no profits or its profits may be inadequate."

"RESOLVED FURTHER THAT the payment of above remuneration shall also be subject to Section III of Schedule XIII to the Companies Act, 1956, which provides that subject to the provisions of Sections I and II of Schedule XIII, Shri H. R. Kilachand shall draw remuneration from the Company as well as from Kesar Enterprises Ltd. in which Shri H. R. Kilachand is appointed as Chairman & Managing Director for a period of 3 years on remuneration, provided that the total remuneration drawn and retained by him from both the Companies shall not exceed the higher maximum limit admissible from any one of the Companies."

Registered Office:

Oriental House,
6th Floor, West Wing,
7, Jamshedji Tata Road,
Churchgate,
Mumbai-400020.
11th August, 2010.

By Order of the Board of Directors

H. R. Kilachand
Chairman

Notes:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- b) The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, 6.9.2010 to Tuesday, 14.9.2010**, both days inclusive. The Shareholders are requested to inform of change in address, if any, at the earliest.
- c) The Members may lodge their shares for transfer / transmission with the office of M/s. SHAREX DYNAMIC (INDIA) PVT. LTD., the Registrar and Share Transfer Agents, at 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400001 or at Unit No.1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai 400072 or with the Company.
- d) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 11:00 a.m. and 1:00 p.m. upto the date of this Meeting.
- e) Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
- f) Members / Proxies should fill the Attendance Slip for attending the Meeting. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the Meeting.
- g) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at this meeting is annexed hereto.
- h) As per Clause 49(IV)(G) of the Listing Agreement, the information in detail about Shri H. R. Kilachand and Smt. M. H. Kilachand, the retiring Directors at this Annual General Meeting, is given in para 2 of the Corporate Governance Report.

KESAR TERMINALS & INFRASTRUCTURE LTD.

ANNEXURE TO THE NOTICE

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

Item No. 6:

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the Company, Shri K. Kannan was appointed by the Board of Directors as an Additional Director of the Company on 29.1.2010. Shri Kannan holds office up to the date of this Annual General Meeting of the members of the Company in terms of Section 260 of the Companies Act, 1956. Shri K. Kannan has 41 years of vast experience in the field of Banking & Finance. He is a fellow Member of Institute of Chartered Accountants of India, a Member of the Institute of Cost & Works Accountants of India and also Hon. Fellow of Indian Institute of Banking and Finance. He is the former Chairman & Managing Director of Bank of Baroda. The Company has received a notice in writing from a Member alongwith the requisite deposit proposing the candidature of Shri K. Kannan for the office of Director of the Company under Section 257 of the Act. Shri Kannan is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received confirmation from him about his eligibility for such appointment. He will be liable to retire by rotation.

Your Directors, therefore, recommend the resolution proposed at Item No.6 of the Notice for your approval.

None of the Directors of the Company except Shri K. Kannan, is concerned or interested in the proposed resolution.

Item No. 7:

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the Company, Shri J. N. Godbole was appointed by the Board of Directors as an Additional Director of the Company on 29.1.2010. Shri Godbole holds office up to the date of this Annual General Meeting of the members of the Company in terms of Section 260 of the Companies Act, 1956. Shri Godbole has 37 years of experience in the Industry and Development Banking. He is the former Executive Director of IDBI Ltd. and at the time of his retirement, he functioned as the Chairman & Managing Director of IDBI Ltd. He also Chaired the CDR (Corporate Debt Restructuring) Empowered Group. He is a Chemical Engineer from IIT Powai and has obtained Certificates in (i) Financial Management from Bajaj Institute; (ii) Corporate Long Range Planning, IIM, Bangalore; (iii) PERT / CPM (Project Management) – Network Analysis from SIET, Hyderabad. He is a member of Finance Committee of IIITM (a Government of India Technology and Management Institute, Gwalior). The Company has received a notice in writing from a Member alongwith the requisite deposit proposing the candidature of Shri J. N. Godbole for the office of Director of the Company under Section 257 of the Act. Shri Godbole is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received confirmation from him about his eligibility for such appointment. He will be liable to retire by rotation.

Your Directors, therefore, recommend the resolution proposed at Item No.7 of the Notice for your approval.

None of the Directors of the Company except Shri J. N. Godbole is concerned or interested in the proposed resolution.

Item No. 8:

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the Company, Shri J. K. Devgupta, President of the Company was appointed as an Additional Director on 11.5.2010 by the Board of Directors of the Company. To meet with the requirement of Section 269 of the Companies Act and also as required under the Listing Agreement, Shri J. K. Devgupta was also appointed, by the Board of Directors on 11.5.2010 and by the Shareholders at the Extraordinary General Meeting held at a shorter notice on 24.5.2010, as Whole-time Director designated as Executive Director with substantial powers of management, for a period of 2 years from 11.5.2010 on remuneration as may be payable within Schedule XIII of the Act. He holds office only up to the date of this Annual General Meeting of the Members of the Company.

In terms of the Scheme of Arrangement for Demerger, the services of Shri J. K. Devgupta, President (Storage Division) of Kesar Enterprises Ltd. [KEL] stood transferred as President of the Company with the same terms of service. Shri Devgupta is 64 years of age. He joined KEL as General Manager (Export) in February 1993 and was in charge of the erstwhile Storage Division of KEL since 1994. He is an alumnus of IIT Kharagpur. He completed a diploma in Sales and Marketing Management from Bhartiya Vidya Bhavan, Nagpur in 1980. He has over 40 years of varied Industrial experience involving marketing, technical services, manufacturing, supply & distribution, import & export and shipping. He has worked with International Tractor Company of India [now Mahindra

Annual Report 2009-2010

Tractors], Indian Oil Corporation, Indo–German joint Venture i.e. OKS Speciality Lubricants Pvt. Ltd., Chemical Terminal Trombay Ltd. a subsidiary of Tata power Limited. The Company has received a notice in writing from a Member alongwith the requisite deposit proposing the candidature of Shri J. K. Devgupta for office of Director of the Company under Section 257 of the Act. Shri Devgupta is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received confirmation from him about his eligibility for such appointment. He will not be liable to retire by rotation as Executive Director.

Your Directors, therefore, recommend the resolution proposed at Item No.8 of the Notice for your approval.

None of the Directors of the Company except Shri J. K. Devgupta is concerned or interested in the proposed resolution.

Item No. 9:

Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the Company, Shri R. S. Loona was appointed by the Board of Directors as an Additional Director of the Company on 1.6.2010. Shri Loona holds office up to the date of this Annual General Meeting of the members of the Company in terms of Section 260 of the Companies Act, 1956. Shri Loona is a leading Corporate Lawyer with specialization in Securities Market, Banking and Finance, Infrastructure Projects, Real Estate and Regulatory Advice. He is the Managing Partner of a law firm, Alliance Corporate Lawyers, He has served as Executive Director (Law) of SEBI for a period of about 4 years. He worked with IDBI Ltd. as Chief General Manager (Legal). Shri Loona had been the Vice-Chairman of the draft Convention on Harmonized Substantive Rules for Intermediated Securities prepared under the auspices of International Institute for the Unification of Private Law (UNIDROIT), Rome, Italy. Shri Loona continues to be associated with SEBI as a member of its Takeover Panel and as SEBI's Counsel before the Securities Appellate Tribunal (SAT).

The Company has received a notice in writing from a Member alongwith the requisite deposit proposing the candidature of Shri R. S. Loona for office of Director of the Company under Section 257 of the Act. Shri Loona is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received confirmation from him about his eligibility for such appointment. He will be liable to retire by rotation.

Your Directors, therefore, recommend the resolution proposed at Item No.9 of the Notice for your approval.

None of the Directors of the Company except Shri R. S. Loona is concerned or interested in the proposed resolution.

Item No. 10:

The Company has appointed M/s. SHAREX DYNAMIC (INDIA) PVT. LTD. (SHAREX) as Share Transfer Agent with effect from 1.4.2010. SHAREX has offices at 17/B Dena Bank Building, 2nd floor, Horniman Circle, Fort, Mumbai 400001 and also at Unit No.1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai 400072. SHAREX is also appointed as Registrar to the Company for Dematerialisation transaction of shares. Hence, the Register of Members, Copies of Annual Return and other Records pertaining to shares shall be kept at the offices of SHAREX also for the convenience of the Shareholders.

Under Section 163 of the Companies Act 1956, consent of the Members by Special Resolution is required for keeping the said Registers / Documents etc. at a place other than the Registered Office of the Company. Your Directors, therefore, recommend the Special Resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the proposed Special Resolution.

Item No. 11:

As approved by a resolution passed by the Remuneration Committee of the Company on 11.8.2010, at the Board Meeting held on 11.8.2010, the Directors have appointed Shri H. R. Kilachand as Whole-time Director designated as Executive Chairman of the Company with substantial powers of management, for a period, not exceeding, 3 years with effect from 14.9.2010 on remuneration as per the provisions of the Companies Act and Schedule XIII thereto, subject to your approval by a Special Resolution at this meeting.

The Company has not made any default in repayment of any of its debts in the preceding financial year before the date of appointment of Shri H. R. Kilachand.

M/s. Ragini Chokshi & Associates, the Secretary in Whole-time Practice has certified that the requirements of Schedule XIII have been complied with for the above appointment.

KESAR TERMINALS & INFRASTRUCTURE LTD.

As required, a statement is given hereunder containing the following information:

I. General Information:

- (1) Nature of industry: Service
- (2) Date or expected date of commencement of commercial production:
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:
(2) & (3) above - Not Applicable as the existing activities transferred to the Company as per the Court sanctioned Scheme of Arrangement for Demerger w.e.f. the Appointed Date 1.1.2009.
- (4) Financial performance based on given indicators:
Financial performance is given in the attached Annual Accounts.
- (5) Export performance and net foreign exchange collaborations
- (6) Foreign investments or collaborators, if any.
(5) & (6) above - Not Applicable as there is no export / foreign investments or any foreign collaboration.

II. Information about Shri H. R. Kilachand:

- (1) Background details:
Shri H. R. Kilachand is the Chairman & Managing Director of the erstwhile Holding Company – Kesar Enterprises Ltd. [KEL] since 1997 onwards. He has about 25 years of vast experience. He has contributed a lot in completion of the expansion & modernisation of Storage Terminals at Kandla and continues to see its growth as the Chairman of the Company. He is B. Com., C.B.M., P.G.D.B.M., U.C.L.A. (U.S.A.).
- (2) Past remuneration: No remuneration was paid to him in the past.
- (3) Recognition or awards: –
- (4) Job profile and his suitability: He has been appointed as Whole-time Director designated as Executive Chairman of the Company with substantial powers of management, for a period, not exceeding, 3 years with effect from 14.9.2010. He is suitable for the job as he has contributed a lot in completion of the expansion & modernisation of Storage Terminals at Kandla and continues to see its growth.
- (5) Remuneration proposed: It is mentioned in the proposed Special Resolution at item no.11 in the above notice.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):
The remuneration is proposed with respect to trend in the industry, size of the Company, profile of the position and after considering the qualification, experience & past performance of Shri H. R. Kilachand.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:
Shri H. R. Kilachand has no pecuniary relationship with the Company, directly or indirectly except to the extent of the remuneration receivable by him from the Company and his holding along with his family in the equity share capital of the Company.

III. Other information:

- (1) Reasons of loss or inadequate profits: Till date there is no loss or inadequate profits.
- (2) Steps taken or proposed to be taken for improvement:
- (3) Expected increase in productivity and profits in measurable terms:
In view of (1) above, (2) & (3) above are Not Applicable.

IV. Disclosures:

- (1) The remuneration package of Shri H. R. Kilachand is mentioned in item no.11 of the above Notice.
- (2) Necessary disclosures are mentioned in the Director's Report under the heading "Corporate Governance", attached to the Annual Report:

Annual Report 2009-2010

Section 316 provides that a Public Company may appoint a person as its Managing Director, if he is the Managing Director of not more than one other Company provided that such appointment is approved by a resolution passed at a meeting of the Board with the consent of all the Directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the Directors. Section III of Schedule XIII to the Companies Act, 1956, provides that, subject to the provisions of Sections I and II, a Managerial Person can draw remuneration from one or both Companies, provided that the total remuneration drawn from both the Companies does not exceed the higher maximum limit admissible from any one of the Companies of which he is a Managerial Person.

A Special Resolution is proposed at item no.11 of the notice hereinabove to appoint Shri H. R. Kilachand as Whole-time Director designated as Executive Chairman of the Company with substantial powers of management, for a period, not exceeding, 3 years with effect from 14.9.2010 on remuneration, provided that the total remuneration drawn and retained by Shri H. R. Kilachand from both the Companies shall not exceed the higher maximum limit admissible from any one of the Companies i.e. the Company or KEL. Shri H. R. Kilachand shall be regarded as a Director liable to retire by rotation.

The Company has already appointed one Managerial Person viz. Shri J. K. Devgupta as Executive Director on remuneration as per the provisions of the Companies Act and Schedule XIII thereto. Thus, the total remuneration payable to Shri H. R. Kilachand and Shri J. K. Devgupta shall not exceed 10% of the Net Profit in a financial year.

In the interest of the Company as well as the shareholders, your Directors recommend the Special Resolution proposed at Item no.11 of the Notice for your approval.

The above may be regarded as an Abstract of the terms and Memorandum of Interest under Section 302(7) of the Companies Act, 1956 with respect to the appointment of Shri H. R. Kilachand as Whole-time Director designated as Executive Chairman of the Company.

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

Registered Office:

Oriental House,
6th Floor, West Wing,
7, Jamshedji Tata Road,
Churchgate,
Mumbai-400020.

11th August, 2010.

By Order of the Board of Directors

**H. R. Kilachand
Chairman**

KESAR TERMINALS & INFRASTRUCTURE LTD.

DIRECTORS' REPORT

To
The Shareholders,
Kesar Terminals & Infrastructure Ltd.

Dear Members,

Your Directors present to you the 2nd Annual Report and the audited Statement of Accounts for the year ended 31st March, 2010.

COURT SANCTIONED SCHEME OF ARRANGEMENT FOR DEMERGER

On 12.3.2010, the Hon'ble High Court of Bombay had passed an Order pursuant to Sections 391 to 394 of the Companies Act, 1956, sanctioning the Scheme of Arrangement by way of Demerger for transfer of the undertaking, business, activities and operations pertaining to the Storage Division / Undertaking of the erstwhile 100% Holding Company viz. Kesar Enterprises Ltd. [KEL] into the Company as a going concern with effect from the Appointed Date i.e. 1st January, 2009.

The effect of the above Arrangement has been given in the Annual Accounts of the Company, in the current financial year.

In consideration of transfer of the Storage Undertaking, on 1.6.2010 the Company had issued and allotted 47,53,113 Equity Shares of Rs.10/- each aggregating to Rs.4,75,31,130/- for other than cash to every member of KEL, whose name appeared in the Register of Members of KEL on the Record Date i.e. 14.5.2010, in the ratio of 10:7 i.e. for every 10 Equity Shares of Rs.10/- each held in KEL, 7 Equity Shares of Rs.10/- each of the Company, either in dematerialized or physical form. After the said allotment, the Share Capital of the Company is 52,53,113 Equity Shares of Rs.10/- each aggregating to Rs.5,25,31,130/-.

The Listing Applications were made by the Company to Bombay Stock Exchange Ltd. [BSE] and The National Stock Exchange of India Ltd. [NSE]. The approval from BSE has been obtained and the same is awaited from NSE. Trading Approval from both BSE & NSE are awaited.

FINANCIAL RESULTS:

	(Rs. in Lac)
	<u>2009-10</u>
Profit before interest, depreciation & taxation	1070.80
Less: Interest and Finance Charges	123.47
Profit before Depreciation & taxation (Cash Profit)	947.33
Less: Depreciation	241.84
Profit Before Tax	705.49
Less: Provision for Taxation	
(i) Income Tax - Current	162.08
(ii) Income Tax – Deferred	110.03
Profit After Tax	433.38
Profit available for appropriation	433.38
Appropriation:	-
Less:	
(i) Transferred to General Reserve	50.00
(ii) Proposed Dividend on Equity Shares	105.06
(iii) Corporate Tax on Dividend	17.45
Profit after appropriation	260.87
Add: Profit taken from Kesar Enterprises Ltd. i.e. Transferor Company	81.08
Balance Carried Forward to Balance Sheet	341.95

There is a profit after tax of Rs.433.38 lac during the year.

Annual Report 2009-2010

DIVIDEND

The Directors recommend a dividend for the year 2009-10 @ Rs.2/- per Equity Share of Rs.10/- each amounting to Rs.105.06 lac plus dividend tax as applicable on 52,53,113 Equity Shares of the Company.

WORKING OF THE DIVISIONS

The Storage Terminals at Kandla have done well during the year. The revenue generated was much higher at Rs.1,832.31 lac as against that in the previous year in view of the completion of expansion, resulting into commissioning of additional storage capacity. The expansion was completed in March 2009 on commissioning of 8 additional tanks resulting into higher revenue earnings.

SUBSEQUENT FINANCIAL YEAR 2010-2011

With the upturn in economic activities, the tank capacity utilization is on the rise and hence the revenue of the Storage Terminals will go up further in the current financial year. The Company has also plans for putting up additional tanks in Terminal No.I subject to receipt of statutory clearances for which applications have already been submitted to the concerned authorities.

EXPANSION / MODERNISATION

The Company has taken possession of about 10 acres of land at Kakinada port in Andhra Pradesh and initial site development work has commenced. The Company plans to put up both dry cargo and bulk liquid cargo handling facilities at Kakinada.

The Company has purchased about 16 acres of land at Pipavav port in Gujarat and is planning to put up a Bulk Liquid Storage Terminal and a Container Freight Station [CFS] at Pipavav.

As informed earlier, the Company has been exploring opportunities for putting up Bulk Liquid Storage Terminals at other ports and also examining putting up other port based facilities such as Container Freight Station, Inland Container Depots at different locations.

DIRECTORS

As per Article 89, Shri H. R. Kilachand, Smt. M. H. Kilachand and Shri A. S. Ruia are the First Directors of the Company since Incorporation of the Company i.e. 21.1.2008 who are liable to retire by rotation. Accordingly, Shri H. R. Kilachand and Smt. M. H. Kilachand retire by rotation at this Annual General Meeting and being eligible, offer themselves for reappointment.

During the year, in terms of Section 260 of the Companies Act read with Article 92 of the Articles of Association of the Company, Shri K. Kannan and Shri J. N. Godbole were appointed as Additional Directors by the Board of Directors of the Company on 29.1.2010; Shri J. K. Devgupta was appointed as Additional Director by the Board of Directors of the Company on 11.5.2010 and Shri R. S. Loona was appointed as Additional Director by the Board of Directors of the Company on 1.6.2010, whose term of office is up to this Annual General Meeting. Hence, their appointments as Directors of the Company have been proposed by the Members.

As the services of Shri J. K. Devgupta, President (Storage Division) of Kesar Enterprises Ltd. [KEL] stood transferred as President of the Company in terms of the Court sanctioned Scheme of Arrangement for Demerger, with the same terms of service, the Board of Directors had appointed Shri J. K. Devgupta as Whole-time Director designated as Executive Director with substantial powers of management, for a period of 2 years from 11.5.2010 on a remuneration as may be payable within Schedule XIII of the Act, which was approved by the Members at the Extraordinary General Meeting held on 24.5.2010.

Pursuant to the provisions of Sections 198, 269, 309, 316, Schedule XIII read with Section III thereto and other applicable provisions, if any, of the Companies Act, 1956, subject to approval of the Shareholders at this Annual General meeting, on 11.8.2010 the Remuneration Committee and also the Board of Directors have approved appointment of Shri H. R. Kilachand as Whole-time Director designated as Executive Chairman of the Company with substantial powers of management, for a period, not exceeding, 3 years with effect from 14.9.2010 on a remuneration as mentioned in the notice of this Annual General Meeting.

Your Company has been informed that on 3.8.2010, subject to approval of the Shareholders, Kesar Enterprises Ltd. (KEL), the erstwhile Holding Company has appointed Shri H. R. Kilachand as a Chairman & Managing Director for a period of 3 years with effect from 14.8.2010. However, the total remuneration drawn and retained by Shri H. R. Kilachand from both the Companies shall not exceed the higher maximum limit admissible from any one of the Companies i.e. the Company or KEL as per the provisions of the Companies Act.

KESAR TERMINALS & INFRASTRUCTURE LTD.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act 2000, the Directors state as under:

- i) that in preparation of the annual accounts for the financial year ended on 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that 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 year;
- iii) that 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) that the Directors have prepared the Annual Accounts for the financial year ended on 31st March, 2010 on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

Though Clause 49 of the Listing Agreement is not applicable to the Company as the Listing approval is awaited, as a matter of good Corporate Governance, the Management Discussion & Analysis Report and the Corporate Governance Report (containing in detail, elements of remuneration of the Directors) are annexed voluntarily, which forms part of this Report.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Section 217(1)(e) of the Companies Act, 1956 with respect to conservation of energy, technology absorption is not applicable to the Company.

FIXED DEPOSITS

The Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 during the year under review.

AUDITORS

M/s Haribhakti & Co., Chartered Accountants, who holds office until the conclusion of this Annual General Meeting and being eligible, offers themselves for reappointment.

INTERNAL AUDITORS

M/s. Ashok Jayesh & Co., Chartered Accountants is appointed as Internal Auditors of the Company.

EMPLOYEES

Relation with the employees remained cordial throughout the year. The information required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is given as under:

Name of Employee	Designation	Age (Yrs.)	Qualification	Experience (Yrs.)	Commencement Date	Remuneration (Rs.)	Last Employment
Shri J. K. Devgupta	President (upto 11.5.10) Executive Director	64	B. Tech from IIT Kharagpur	40	1.1.2009	29,98,140	Kesar Enterprises Ltd.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and cooperation extended by the Banks & Financial Institutions during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the employees of the Company for its success.

By Order of the Board of Directors

H. R. KILACHAND
Chairman

11th August, 2010

Annual Report 2009-2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SCENARIO IN INDIA

Bulk liquid Storage scenario

With the Indian economy expected to clock a GDP of 8.5% the production of petroleum products are to go up substantially in the near future. India has a large exportable surplus of petrol and naphtha but has shortage of diesel and kerosene. The private refineries have to use storage tanks for distribution to the domestic market as well as for export to avoid investments in tank terminals at various locations. There is an increase in the domestic manufacture of petrochemicals and chemicals and export / import thereof, resulting into an additional demand for tankage from this sector. Additionally, the re-export of imported chemicals by domestic traders has come up as a new development in the recent years. The per capita increase in income of Indian population is leading to increased consumption of edible oils and hence there is rise in import of edible oils, both crude and refined oils. The demand for storage facilities for bulk liquids is thus ever on the rise.

INDUSTRY STRUCTURE & DEVELOPMENT

The Company has 2 bulk Liquid Chemical Terminals with a combined capacity of 127,000 Kilo Litres (KL) in 64 tanks at Kandla, Gujarat, which include specialised tanks, such as stainless steel tanks and tanks equipped with heating and insulation facilities and coated tanks. The Company has plans to add capacities of about 7000 KL at its Terminal No.I in Kandla and have approached the concerned authorities for permissions.

OPPORTUNITES & THREATS

Whilst the demand for storage tanks is on the rise, the biggest impediment in creating new tankage is restricted availability of land at port locations. All the ports are going for SEZ complexes, which need large tracts of land and infrastructural facilities in terms of rail and road connectivity, warehouses for dry cargo and container terminals. However, the Company has been able to overcome this problem by getting an allotment of about 10 acres of land at Kakinada in Andhra Pradesh and by purchasing about 16 acres of land in Pipavav port in Gujrat and is thus free to expand bulk liquid storage capacities to tap the growing demand for the same. The Company plans to develop both dry and liquid cargo storage at these locations.

OUTLOOK

Diversification opportunities

The existing Companies in this business, expecting the demand to boom in the near future are trying to increase capacities. Similarly, the Company has already increased its capacity to 127,000 KL. Additionally, the Company plans to develop bulk liquid terminal at Pipava, Gujarat. As the container volume at Pipavav is on the rise, the Company is also planning a container freight station at Pipavav.

FINANCIAL PERFORMANCE

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

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 external Internal Auditor. All operating parameters are well defined and monitored periodically. The detail internal audit reports are discussed at length at various levels and thereafter the said reports are also placed in the Audit Committee.

CAUTIONARY STATEMENT

The above Management Discussion and Analysis Report contains "forward looking statements" 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 LTD.

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on Code of Governance:

The Company's philosophy on Corporate Governance aims at attainment of the highest levels of transparency, accountability and equity in the functioning of the Company and in all interactions with employees, shareholders, creditors, depositors and customers. The Company believes that its systems and actions must be endeavoured for enhancing corporate performance and maximizing shareholder value in the long term.

2. Board of Directors:

The Board of Directors consists of the following Directors. The Composition and Category of Directors is as follows:

Name of Directors		Category
Shri H. R. Kilachand	:	Non-Executive Chairman [Promoter Director]
Smt. M. H. Kilachand	:	Non-Executive Promoter Director
Shri A. S. Ruia	:	Non-Executive Independent Director
Shri K. Kannan [w.e.f.29.1.2010]	:	Non-Executive Independent Director
Shri J. N. Godbole [w.e.f.29.1.2010]	:	Non-Executive Independent Director
Shri R. S. Loona [w.e.f.1.6.2010]	:	Non-Executive Independent Director
Shri J. K. Devgupta [w.e.f.11.5.2010]	:	Executive Director

Attendance of each Director at 4 Board Meetings held during 1.4.2009 to 31.3.2010, the last Annual General Meeting held on 29.9.2009 and Number of other Directorship and Chairmanship / Membership of Committees of each Director in various companies are as follows:

Name of the Director	Attendance Particulars						No. of other Directorships and Committee Member / Chairmanship		
	Out of 4 Board Meetings	Audit Committee Meeting	Remuneration Committee Meeting	Share Transfer Committee Meeting	Sitting Fees paid (Rs.)	Last AGM	Other Directorships*	Committee Member#	Chairmanships
Shri H.R. Kilachand	4	—	—	—	—	Yes	1	3	1
Smt.M.H. Kilachand	4	—	—	—	—	Yes	1	-	-
Shri A. S. Ruia	4	—	—	—	—	Yes	2	4	2
Shri K. Kannan (w.e.f. 29.1.2010)	—	—	—	—	—	—	6	10	3
Shri J. N. Godbole (w.e.f. 29.1.2010)	—	—	—	—	—	—	10	8	1
Shri R. S. Loona (w.e.f. 1.6.2010)	—	—	—	—	—	—	4	-	-
Shri. J. K. Devgupta (w.e.f. 11.5.2010)	—	—	—	—	—	—	-	-	-

The Non-Executive Directors were not paid any Sitting Fees for attending the Board Meetings held during 1.4.2009 to 31.3.2010. The Audit Committee, Share Transfer Committee, Shareholders' Grievance Committee and Remuneration Committee were constituted after 31.3.2010 i.e. on 11.5.2010. Shri K. Kannan and Shri J. N. Godbole were appointed as Additional Directors on 29.1.2010, Shri J. K. Devgupta was appointed as Executive Director on 11.5.2010 and Shri R. S. Loona was appointed as Additional Director on 1.6.2010.

* Excludes Directorships in Pvt. Ltd. Companies and Section 25 Companies.

As per Explanation (2) to Clause 49(c)(ii) of the Listing Agreement, Chairmanship / Membership of the Audit Committee and the Shareholders' Grievance Committee of Public Limited Companies is considered.

Information on Directors retiring by rotation

1. Shri Harsh R. Kilachand will be retiring by rotation at this Annual General Meeting and is eligible for reappointment. He is 50 years of age. Shri H. R. Kilachand is the Chairman of the Company since incorporation. He is B. Com., C.B.M., P.G.D.B.M., U.C.L.A. (U.S.A.). At present, he is the Chairman &

Annual Report 2009-2010

Managing Director of Kesar Enterprises Ltd. [KEL], the erstwhile Holding Company. He has about 25 years of vast experience. He has contributed a lot towards the growth of KEL as a whole including the Demerged Storage Undertaking. He was responsible for completion of expansion & modernisation of the Storage Terminals at Kandla. His other Directorships are – (1) Kesar Enterprises Ltd.; (2) Kesar Corporation Pvt. Ltd.; (3) Indian Commercial Co. Pvt. Ltd.; (4) India Carat Pvt. Ltd.; (5) Kilachand Devchand & Co. Pvt. Ltd.; (6), Kilachand Devchand Commercial Pvt. Ltd.; (7) Seel Investment Pvt. Ltd.; & (8) Duracell Investments & Finance Pvt. Ltd.

2. Smt. Madhavi H. Kilachand will be retiring by rotation at this Annual General Meeting and is eligible for reappointment. She is 49 years of age. Smt. M. H. Kilachand is the Director of the Company since incorporation. She is wife of Shri H. R. Kilachand, the Chairman of the Company. She is B.A. (Psychology) from University of Mumbai. She has experience in general administration. Her other Directorships are (1) Kesar Enterprises Ltd.; (2) Kesar Corporation Pvt. Ltd.; (3) Indian Commercial Co. Pvt. Ltd.; (4) India Carat Pvt. Ltd.; (5) Kilachand Devchand & Co. Pvt. Ltd.; (6), Kilachand Devchand Commercial Pvt. Ltd.; (7) Seel Investment Pvt. Ltd.; and (8) Duracell Investments & Finance Pvt. Ltd.

Number of Board Meetings held and the dates on which held:

In all 4 Board Meetings were held during the year as per the minimum requirement. The dates on which the meetings were held are 20.4.2009, 31.8.2009, 10.12.2009 and 29.1.2010. The necessary information was made available to the Board from time to time.

3. Audit Committee:

Pursuant to Section 292A of the Companies (Amendment) Act 2000, the role and responsibility of the Audit Committee includes inter alia :

- a. Overseeing the Companies financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending appointment / removal of external Auditor, fixation of Audit Fee and payment for any other services.
- c. Reviewing with the Management the annual and quarterly financial statements before submission to the Board for approval with particular reference to the matters specified in the Listing Agreement.
- d. Reviewing with the Management, external & internal Auditors and adequacy of internal control systems.
- e. Reviewing adequacy of internal Audit function, including structure of internal audit department, staffing and seniority of official heading the Department, reporting structure, coverage and frequency of internal audit.
- f. Discussing with internal Auditors any significant findings and follow up thereon.
- g. Reviewing 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.
- h. Discussing with external auditors before the audit commences nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- i. Reviewing the Company's financial and risk management policies.
- j. Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders and creditors.
- k. Other matters as set out in the Listing Agreement as and when required.

After allotment of equity shares as per the Scheme of Demerger, pursuant to the provisions of the Companies Act and also as per Clause 49 of the Listing Agreement, on 11.5.2010, the Board constituted an Audit Committee consisting of 3 Non-Executive Independent Directors and 1 Non-Executive Promoter Director of the Company (1) Shri A. S. Ruia, Chairman of the Audit Committee; (2) Shri K. Kannan; (3) Shri J. N. Godbole; and (4) Shri H. R. Kilachand. The said Directors are financially literate and have accounting or related financial management expertise.

The Company has a full-fledged Internal Audit Department which performs 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.

KESAR TERMINALS & INFRASTRUCTURE LTD.

4. Remuneration Committee:

As required under Clause 49 of the Listing Agreement, on 11.5.2010, the Board constituted a Remuneration Committee consisting of 3 Non-Executive Independent Directors and 1 Non-Executive Promoter Director of the Company viz. (1) Shri K. Kannan, Chairman of the Remuneration Committee; (2) Shri A. S. Ruia; (3) Shri J. N. Godbole; and (4) Shri H. R. Kilachand.

On 11.8.2010, the Remuneration Committee as well as the Board of Directors of the Company have approved appointment of Shri H. R. Kilachand as Whole-time Director designated as Executive Chairman of the Company with substantial powers of management, for a period, not exceeding, 3 years with effect from 14.9.2010 on remuneration as per the provisions of the Companies Act and Schedule XIII thereto as specifically mentioned at item no.11 of the Notice of the Annual General Meeting.

5. Share Transfer Committee:

As required under Clause 49 of the Listing Agreement, on 11.5.2010, the Board constituted a Share Transfer Committee consisting of (1) Shri H R Kilachand, Chairman of the Share Transfer Committee (2) Shri A S Ruia; and (3) Shri J N Godbole to review and approve transfer of shares, issue of duplicate share certificates and transmission of shares received from the heirs of deceased shareholders. The Committee shall meet regularly from time to time for the above purpose, to ensure a prompt return of securities to the shareholders. Neither any share transfers nor any requests for demat was pending as on 31st March, 2010.

6. Shareholders / Investors Grievance Committee:

As required under Clause 49 of the Listing Agreement, on 11.5.2010, the Board constituted a Shareholders / Investors Grievance Committee consisting of (1) Shri A. S. Ruia, Chairman of the Committee; (2) Shri K. Kannan; (3) Shri H. R. Kilachand.

7. Compliance Officer:

Shri J. K. Devgupta, Executive Director is the Compliance Officer of the Company.

8. General Body Meetings:

Location and time where the last Annual General Meetings / Extraordinary General Meetings were held:

AGM / EGM	Financial Year ended	Date	Location	Time
AGM	31-3-2009	29-9-2009	Registered Office	3.30 p.m.
EGM	31-3-2010	25-3-2010	Registered Office	11.00 a.m.

At the EGM held on 25.3.2010, the Members had passed a Special Resolution to alter Articles of Association of the Company and an Ordinary Resolution authorising the Board to pay sitting fees to the Non-executive Directors of the Company for attending the Board/ Committee Meetings.

At the subsequent EGM held on 24.5.2010, the Members had passed a Special Resolution to appoint Shri J. K. Devgupta as Whole-time Director designated as Executive Director for a period of 2 years and for payment of remuneration to him; an Ordinary Resolution authorising the Board to borrow upto Rs.200 crore; and a Special Resolutions for issue of various securities to raise funds for the future projects of the Company.

9. Disclosures:

No transaction of material nature has been entered into by the Company with its Promoters, Directors, Management, their Subsidiaries or Relatives, etc. that may have a potential conflict with the interests of the Company. However, the Company has given in the notes to accounts, a list of related parties as per Accounting Standard 18 and the transactions entered into with them.

10. Means of communication:

The Board shall take on record the unaudited quarterly financial results in the prescribed Proforma of the stock exchange within 45 days of the close of the quarter and shall announce forthwith the results to the Bombay Stock Exchange and National Stock Exchange after the shares of the Company are listed. The quarterly unaudited financial results shall also be published in the newspapers within 48 hours of the conclusion of the meeting of the Board in which they are approved.

Management Discussion & Analysis report has been included as a part of Annual Report.

Annual Report 2009-2010

11. General Shareholders information:

- a. Registered Office : Oriental House, 6th Floor, West Wing, 7, Jamshedji Tata Road, Churchgate, Mumbai-400020.
- b. Plant Locations : Storage Terminals I & II at Kandla, Gujarat.
- c. Annual General Meeting
 - Date : 14th September, 2010.
 - Time : 3:30 p.m.
 - Venue : M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001.
- d. Next Financial Year ending : 31st March, 2011
- e. Next Annual General Meeting : By 30th September, 2011
- f. Financial Reporting for the year 2010-11
 - For 1st quarter ended 30th June, 2010 : By 15th August, 2010
 - For 2nd quarter ending 30th September, 2010 : By 15th November, 2010
 - For 3rd quarter ending 31st December, 2010 : By 15th February, 2011
 - For 4th quarter ending 31st March, 2011 : By 15th May, 2011
- g. Date of Book Closure : 6.9.2010 to 14.9.2010
- h. Listing on Stock Exchange : Applied on BSE & NSE
- i. Stock Exchange Code Number : BSE Scrip Code : Applied
NSE Symbol : Applied
- j. Demat ISIN numbers in NSDL & CDSL : INE096L01017

Address for correspondence by the Shareholders of the Company:

M/s. Sharex Dynamic (India) Pvt. Ltd.

Kesar Terminals &
Infrastructure Limited.

(1) Registrar & Share Transfer Agents, 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai – 400 001
Tel : 2264 1376 / 22702485
Fax: 2264 13 49
Email: sharexindia@vsnl.com

(2) Registrar & Share Transfer Agents, Luthra Indl. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai – 400 072
Tel.: 2851 5606/ 28515644
Fax: 2851 28 85

Oriental House, 6th Floor, West Wing, 7, J. Tata Road, Churchgate, Mumbai-400020
Tel: 22042396 / 22851737
Fax: 22876162
Email: jayanto@kesarindia.com

Code of Conduct

The Company will adopt a Code of Conduct for its Board of Directors and Senior Management Personnel and the same will be posted on the Company's website.

Share Transfer System:

The shares sent for transfer shall be registered & returned within the time limits.

Stock Market Data:

The Company is awaiting Listing approvals and commencement of trading of its shares on BSE / NSE

KESAR TERMINALS & INFRASTRUCTURE LTD.

Distribution of shareholding as on 1st June, 2010 being the date of Allotment :

Shareholding in Nominal Value of		Share Holders		Share Amount	
Rs	Rs		% of Holders	In Rs.	% to Total
Upto -	5,000	4832	90.71	4843670	9.22
5,001 -	10,000	251	4.71	1758830	3.35
10,001 -	20,000	115	2.16	1566330	2.98
20,001 -	30,000	47	0.88	1125700	2.14
30,001 -	40,000	22	0.41	755220	1.44
40,001 -	50,000	6	0.11	269970	0.51
50,001 -	1,00,000	26	0.49	1710300	3.26
1,00,001 -	and above	28	0.53	40501110	77.10
Total		5327	100.00	52531130	100.00

Categories of Shareholders as on 1st June, 2010 – Pre & Post Demerger:

About 84.52% of the total shareholding in the Company representing 4439714 shares have been converted into demat.

	Category of Shareholder	PRE DEMERGER		POST DEMERGER	
		No of Equity Shares	%	No of Equity Shares	%
A.	Promoter & its Group - Indian				
1 a	Individual / HUF	6	0.001	8,75,268	16.662
b	Central / State Government	0	0	0	0
c	Bodies Corporate	4,99,994	99.999	22,38,962	42.622
d	Financial Institutions / Banks	0	0	0	0
e	Any Other (specify)	0	0	0	0
	Sub-Total-A(1)	5,00,000	100.000	31,14,230	59.284
2 a	Foreign – Individuals (Non Resident)				
	Foreign Individuals	0	0	0	0
b	Bodies Corporate	0	0	0	0
c	Institutions	0	0	0	0
d	Any Other (specify)	0	0	0	0
	Sub-Total-A(2)	0	0	0	0
	Total Shareholding Promoter & Group Total (A)=A(1)+A(2)	5,00,000	100.000	31,14,230	59.284
B.	Public Shareholding –				
1	Institutions				
a	Mutual Funds	0	0	840	0.016
b	Financial Institutions / Banks	0	0	762	0.015
c	Central / State Government	0	0	0	0
d	Venture Capital Fund	0	0	0	0
e	Insurance Companies	0	0	5,33,310	10.152
f	Foreign Institutional Investors	0	0	0	0
g	Foreign Venture Capital Investors	0	0	0	0
h	Any Other (specify)	0	0	0	0
	Sub-Total-B(1)	0	0	5,34,912	10.183

Annual Report 2009-2010

	Category of Shareholder	PRE DEMERGER		POST DEMERGER	
		No of Equity Shares	%	No of Equity Shares	%
2	Non-Institutions	0	0		
a	Bodies Corporate	0	0	3,36,039	6.397
b	Individual Shareholders holding nominal Share Capital				
	i) upto Rs.1 Lac	0	0	9,76,242	18.584
	ii) above Rs.1 Lac	0	0	1,58,152	3.011
c	Any Other (specify)				
	Clearing Members	0	0	61,592	1.172
	Overseas Corporate Bodies	0	0	0	0
	Non Resident Indians	0	0	71,946	1.370
	Sub-Total-B(2)	0	0	16,03,971	30.534
	Total (B)=B(1)+B(2)	0	0	21,38,883	40.716
	Total (A+B)	0	0	52,53,113	100
C	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0
	Grand Total(A+B+C)	5,00,000	100.000	52,53,113	100

Guidance to Shareholders:

1. The shareholders are requested to communicate 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 12 above.
2. In case of lost / misplacement of 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. For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of power of attorney should also be quoted in the transfer deed at the appropriate place. SEBI vide its circular dated 27.4.2007 has made it mandatory for transactions involving transfer of shares in physical form the transferee(s) is required to furnish a copy of PAN card to the Company / RTAs for registration of such transfer of shares.
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 109A of the Companies Act, 1956 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 interests 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 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.

As the Company has made an application for Listing of its Shares, the Auditors' Certificate and the Declaration by the Managing Director on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement are not taken.

KESAR TERMINALS & INFRASTRUCTURE LTD.

Auditors' Report

To

The Members of Kesar Terminals & Infrastructure Limited

1. We have audited the attached Balance Sheet of Kesar Terminals & Infrastructure Limited ('the Company') as at March 31, 2010 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required
 - vii. Attention is drawn to note no. 1 in schedule 17 regarding Demerger of Storage Division of Kesar Enterprises Limited.The said accounts give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **Haribhakti & Co.**
Chartered Accountants
FRN No.103523W

N.N.Jambusaria
Partner
Membership No.38979

Place: Mumbai
Date: 11th August, 2010

Annual Report 2009-2010

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Kesar Terminals & Infrastructure Limited on the financial statements for the year ended 31st March 2010

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) (a) The inventory (Only Stores & Spares) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix) (a) Undisputed statutory dues including provident fund, income-tax, sales-tax, wealth-tax, service tax have been regularly deposited with the appropriate authorities except for service tax liability, wherein there have been slight delay in one case.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, income-tax, wealth-tax, service tax, sales-tax, and other statutory dues which were outstanding,

KESAR TERMINALS & INFRASTRUCTURE LTD.

at the year end for a period of more than six months from the date they became payable are NIL. However, Advance Income Tax for Assessment Year 2010-11 has been treated as accrued on 29/03/2010 being the date of receipt of High Court order for Demerger and accordingly does not fall under undisputed statutory dues outstanding for more than 6 months as on year ended 31/03/2010.

- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) As the company is registered for a period less than five years, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable to the company for the current year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. Company has not issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) 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 on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Haribhakti & Co.**
Chartered Accountants
FRN No.103523W

N.N.Jambusaria
Partner
Membership No.38979

Place: Mumbai
Date: 11th August, 2010

Annual Report 2009-2010

BALANCE SHEET as at 31st March, 2010

	Schedule No.	As at 31st March 2010 Amount Rs.	As at 31st March 2009 Amount Rs.
Sources of Funds:			
1. Shareholders' Funds:			
(a) Share Capital	1	5,000,000	5,000,000
(b) Share Capital Suspense Account (Ref. Note 1 (c) of Schedule 17)		47,531,130	—
(c) Reserves and Surplus	2	141,715,776	—
2. Loan Funds:			
(a) Secured Loans	3	99,240,598	—
(b) Unsecured Loans	4	6,533,572	85,000
		<u>105,774,170</u>	<u>85,000</u>
3. Deferred Tax Liability (Net)		35,871,520	—
Total		<u><u>335,892,596</u></u>	<u><u>5,085,000</u></u>
Application of Funds:			
1. Fixed Assets:	5		
(a) Gross Block		510,906,311	—
(b) Less: Depreciation/Land Premium written off		<u>190,010,823</u>	<u>—</u>
(c) Net Block		320,895,488	—
(d) Capital Work-in-Progress		<u>12,499,568</u>	<u>—</u>
		333,395,056	—
2. Investments	6	5,000	—
3. Current Assets, Loans and Advances:			
(a) Inventories	7	967,198	—
(b) Sundry Debtors	8	40,184,305	—
(c) Cash and Bank Balances	9	5,409,230	30,848
(d) Other Current Assets	10	13,877	—
(e) Loans and Advances	11	<u>23,564,758</u>	<u>4,500,000</u>
		70,139,368	4,530,848
Less: Current Liabilities and Provisions:	12		
(a) Current Liabilities		33,446,267	—
(b) Provisions		<u>34,200,561</u>	<u>—</u>
		67,646,828	—
Net Current Assets		2,492,540	4,530,848
4. Miscellaneous Expenditure to the extent not written off: Preliminary expenditure		—	554,152
Total		<u><u>335,892,596</u></u>	<u><u>5,085,000</u></u>

Notes forming part of the Accounts 17

The schedule referred to above form an integral part of the Balance Sheet.

As per our Report of even date attached.

For and on behalf of
Haribhakti & Co.
Chartered Accountants

N.N. Jambusaria
Partner
Mumbai, 11th August, 2010

For and on behalf of the Board of Directors

H.R. KILACHAND A.S. RUIA
Director Director

Mumbai, 11th August, 2010

KESAR TERMINALS & INFRASTRUCTURE LTD.

PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2010

	Schedule No.	Current year ended 31st March 2010 Amount Rs.	Previous Period 21.01.2008 to 31st March 2009 Amount Rs.
1. Income:			
Sales and Services	13	183,230,919	—
Other Income	14	1,901,156	—
Total		185,132,075	—
2. Expenditure:			
Manufacturing and Other Expenses	15	78,051,878	—
Interest and Finance Charges	16	12,347,254	—
Depreciation		24,184,065	—
Total		114,583,197	—
3. Profit / (Loss) Before Tax		70,548,878	—
4. Provision for Taxation			
(i) Income Tax - Current		16,207,741	—
(ii) Income Tax -Deferred		11,003,003	—
5. Profit / (Loss) After Tax		43,338,134	—
6. Appropriations:			
(i) Transferred to General Reserve		5,000,000	—
(ii) Proposed Final Dividend on Equity Shares		10,506,226	—
(iii) Corporate Tax on Dividend		1,744,953	—
Total		26,086,955	—
7. Profit for the period from Jan, 09 To March, 09 taken from Kesar Enterprises Limited i.e. transferor company			
Profit Before Taxation (Jan 09 To March 09)	15,322,497		
Less: Provision for Income Tax - Current	(1,842,881)		
Less: Provision for Income Tax - Deferred	(5,371,838)	8,107,778	—
Balance Carried Forward to Balance Sheet		34,194,733	—
Basic and diluted earnings Rs. per share		8.25	—
(Based on Shares since allotted as per the Scheme of Demerger as approved by Honorable High Court vide their order dated 12.03.2010)			
Notes forming part of the Accounts	17		

The schedule referred to above form an integral part of the Balance Sheet.

As per our Report of even date attached.

For and on behalf of
Haribhakti & Co.
Chartered Accountants

N.N. Jambusaria
Partner
Mumbai, 11th August, 2010

For and on behalf of the Board of Directors

H.R. KILACHAND A.S. RUIA
Director *Director*

Mumbai, 11th August, 2010

Annual Report 2009-2010

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March 2010 Amount Rs.	As at 31st March 2009 Amount Rs.
SCHEDULE: 1		
SHARE CAPITAL		
Authorised:		
60,00,000 Equity Shares of Rs. 10/- each	60,000,000	60,000,000
Total	<u>60,000,000</u>	<u>60,000,000</u>
Issued, Subscribed and Paid up:		
5,00,000 Equity Shares of Rs. 10/- each fully paid up	5,000,000	5,000,000
Total	<u>5,000,000</u>	<u>5,000,000</u>
 SCHEDULE: 2		
RESERVES AND SURPLUS		
General Reserve:		
Opening Balance	-	-
Add: On Account of Demerger (Refer Note 1 (c) of Schedule 17)	102,521,043	-
Add:- Transferred from Profit and Loss account	<u>5,000,000</u>	-
	107,521,043	-
Surplus as per Profit and Loss Account	34,194,733	-
Total	<u>141,715,776</u>	<u>-</u>
 SCHEDULE: 3		
SECURED LOANS		
(A) TERM LOANS:		
Allahabad Bank (Term Loan - Storage Expansion) (Secured by way of First Hypothecation charge on all plant & machinery & current Assets)	96,417,415	-
(B) VEHICLE LOANS:		
(Secured by way of hypothecation of the vehicles purchased out of the said loans)	2,823,183	-
Total	<u>99,240,598</u>	<u>-</u>
 SCHEDULE: 4		
UNSECURED LOANS		
(a) Short Term Loans, Advances & Deposits:		
From Others	6,533,572	85,000
Total	<u>6,533,572</u>	<u>85,000</u>

KESAR TERMINALS & INFRASTRUCTURE LTD.

SCHEDULE: 5 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	At Cost or book value as on 31-Mar-09	Additions during the Year	Sales/ deductions and adjustments during the Year	At Cost or book value as on 31-Mar-10	Upto 31-Mar-09	For the Year	Written back on assets sold or discarded	Total Depreciation/ Land Premium written off	As on 31-Mar-10
Land									
Free hold Land	-	38,510,546	-	38,510,546	-	-	-	-	38,510,546
Lease hold Land Premium	567,000	-	-	567,000	423,675	18,900	-	442,575	124,425
Leasehold Land	1,826,902	-	-	1,826,902	-	1,425,997	-	1,425,997	400,905
<hr/>									
Building, Roads etc.	27,582,242	10,438,228	-	40,904,448	423,675	1,444,897	-	1,868,572	39,035,876
Plant and Machinery	382,524,048	16,937,789	-	38,020,470	9,780,771	2,199,612	-	11,980,383	26,040,087
Electric Installations	10,776,163	-	-	399,461,837	142,693,728	18,193,761	-	160,887,489	238,574,348
Laboratory Equipments	120,577	-	-	10,776,163	6,050,313	626,366	-	6,676,679	4,099,484
Weigh Bridges	4,221,257	709,192	-	120,577	114,229	882	-	115,111	5,466
Tube and Artisan Wells and Water Supply	156,359	-	-	4,930,449	1,843,492	192,613	-	2,036,105	2,894,344
Motor Cars, Lorries and Cycles	2,213,459	3,767,542	1,080,730	156,359	95,078	3,064	-	98,142	58,217
Furniture, Fixtures and Equipments	7,970,014	1,782,041	-	4,900,271	1,310,603	533,273	903,272	940,604	3,959,667
Drainage	979,883	903,799	-	9,752,055	3,960,627	948,250	-	4,908,877	4,843,178
Total	438,937,904	73,049,137	1,080,730	510,906,311	166,730,030	24,184,065	903,272	190,010,823	320,895,488

Annual Report 2009-2010

	As at 31st March 2010 Amount Rs.	As at 31st March 2009 Amount Rs.
SCHEDULE: 6		
INVESTMENTS		
LONG TERM INVESTMENTS (AT COST)		
(i) In fully paid Equity Shares of Co-operative Bank: (Unquoted) 200 Shares of Rs. 25/- each of Jain Sahakari Bank Ltd.	5,000	-
Total	<u>5,000</u>	<u>-</u>
Aggregate cost of Investments: Unquoted		
	5,000	-
Total	<u>5,000</u>	<u>-</u>

SCHEDULE: 7 INVENTORIES

(As certified by the management)
Stores and Spares (At Cost)

	967,198	-
Total	<u>967,198</u>	<u>-</u>

SCHEDULE: 8 SUNDRY DEBTORS (UNSECURED)

(A) Debts outstanding for a period exceeding six months:
Considered Good
(B) Other Debts Considered Good

	7,097,564	-
	33,086,741	-
Total	<u>40,184,305</u>	<u>-</u>

SCHEDULE: 9 CASH AND BANK BALANCES

Cash on Hand	1,519,870	5,444
Bank Balances with Scheduled Banks:		
In Current Accounts	3,779,360	25,404
In Fixed Deposit Accounts	110,000	-
Total	<u>5,409,230</u>	<u>30,848</u>

KESAR TERMINALS & INFRASTRUCTURE LTD.

	As at 31st March 2010 Amount Rs.	As at 31st March 2009 Amount Rs.
SCHEDULE: 10		
OTHER CURRENT ASSETS		
Interest Accrued on Fixed Deposits with Banks	13,877	-
Total	<u>13,877</u>	<u>-</u>

SCHEDULE: 11 LOANS AND ADVANCES

(Unsecured, Considered Good unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received	2,825,462	-
Loans & Advances to Employees	741,127	-
Advance Payment of Income-Tax (Including Tax Deducted at Source)	14,485,326	-
Deposit with Government & Others	5,512,843	4,500,000
Total	<u>23,564,758</u>	<u>4,500,000</u>

SCHEDULE: 12 CURRENT LIABILITIES AND PROVISIONS

(A) Current Liabilities:

Sundry Creditors	15,599,993	-
Due to Kesar Enterprises Limited	17,742,958	-
Advances and Deposits from Dealers/Customers	103,316	-
	<u>33,446,267</u>	<u>-</u>

(B) Provisions:

Corporate Tax on Dividend	1,744,953	-
Provision for Income Tax	18,050,622	-
Provision for Gratuity & Leave Encashment	3,898,760	-
Proposed Final Dividend on Equity Shares	10,506,226	-
	<u>34,200,561</u>	<u>-</u>
Total	<u>67,646,828</u>	<u>-</u>

Annual Report 2009-2010

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Current Year ended 31st March 2010 Amount Rs.	Previous Period 21.01.2008 to 31st March 2009 Amount Rs.
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SCHEDULE: 13 SALES AND SERVICES

Storage and Handling	183,230,919	-
Total	<u>183,230,919</u>	<u>-</u>

SCHEDULE: 14 OTHER INCOME

Interest		
On Fixed Deposits (Gross) (Tax deducted at source Rs. 19,038)		
Previous Period Rs. Nil	137,053	-
Others	45,530	-
Sundry Receipts	1,633,811	-
Profit on Sale of Fixed Assets	84,762	-
Total	<u>1,901,156</u>	<u>-</u>

SCHEDULE: 15 MANUFACTURING AND OTHER EXPENSES

Storage and Handling Charges	5,500,309	-
Power and Fuel	4,263,203	-
Repairs:		
Plant and Machinery	11,237,216	-
Others	1,750,553	-
Rent	4,875,098	-
Salaries, Wages & Bonus	32,055,883	-
Company's Contribution to Provident and Other Funds	3,819,413	-
Workmen and Staff Welfare Expenses	753,869	-
Insurance	909,618	-
Rates and Taxes	226,790	-
Selling Agents' Commission & Brokerage	804,214	-
Legal and Professional Charges	2,235,312	-
Miscellaneous Expenses	5,837,815	-
Directors' Fees	135,900	-
Auditors' Remuneration:		
Audit Fees	180,250	-
In Other Capacities:		
For Certification	48,288	-
For Other Matters	15,769	-
Out of Pocket Expenses	36,335	-
Bad Debts/Advances written off	2,811,891	-
Deferred Revenue Expenditure written off	554,152	-
Total	<u>78,051,878</u>	<u>-</u>

SCHEDULE: 16 INTEREST & FINANCE CHARGES

On Fixed Loans	11,766,192	-
Others	581,062	-
Total	<u>12,347,254</u>	<u>-</u>

KESAR TERMINALS & INFRASTRUCTURE LTD.

SCHEDULE: - 17

NOTES FORMING PART OF THE ACCOUNTS

Significant Accounting Policies

A. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C. Revenue Recognition

Income is generally recognised only when its collection or receipt is reasonably certain. Insurance Claims are recognised only when the claim is passed. Interest Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

D. Fixed Assets

- a) Fixed Assets except Freehold Land are stated at cost of acquisition less accumulated depreciation. Cost includes interest on borrowings specific or otherwise, used for funding Fixed Assets, till the date of commissioning.
- b) Leasehold Land and Premium on Leasehold Land is amortised over the period of lease.

E. Depreciation

- a) Depreciation on Plant & Machinery has been provided on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- b) For all other assets, depreciation is provided on Written Down Value Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- c) For assets added / disposed off during the year, depreciation has been provided on pro-rata basis with reference to the period, at the applicable rates.
- d) Depreciation on assets, whose actual cost does not exceed Rs.5,000/- is provided at the rate of hundred percent.

F. Capital Work-in-Progress

These are stated at cost to date relating to items or projects in progress, incurred during construction / pre-operative period. Cost includes allocable interest.

G. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

H. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments Long Term Investments are stated at cost.

I. Inventories

Stores and Spares are valued at cost.

Annual Report 2009-2010

J. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an 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.

K. Retirement and other employee benefits

- i. Retirement benefits in the form of Provident Fund and Superannuation Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- ii. Gratuity and Leave Encashment liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- iv. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss account immediately.

L. Income Tax

Tax expense comprises of current, and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with *the Income-tax Act, 1961* enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax assets and liabilities are determined based on the difference between the financial statements and tax bases of assets and liabilities, as measured by the enacted / substantively enacted tax rates. Deferred tax Expense / Income is the result of changes in the net deferred tax assets and liabilities.

Deferred tax assets are recognised only if there is a virtual certainty backed by convincing evidence of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realised.

M. Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period 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.

N. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

KESAR TERMINALS & INFRASTRUCTURE LTD.

NOTES TO ACCOUNTS

1. Demerger of Storage Undertaking /Division of Kesar Enterprises Ltd. (KEL) into the Company.

- a) The Board of Directors of Kesar Enterprises Limited (KEL) at their meeting held on 21-01-2009 approved the Scheme of demerger of Storage Undertaking /Division known as Distillers' Trading Corporation (DTC) Division of KEL [Transferor Company] into Kesar Terminals and Infrastructure Limited (KTIL) [Resulting Company] and their respective Shareholders' and Creditors U/S 391-394 of the Companies Act which was sanctioned by the Hon'ble High Court, Bombay on 12th March 2010 and as per the Order, the Scheme of Demerger of Storage Undertaking /Division known as DTC Division of KEL into KTIL is effective from the "Appointed Date" i.e. 1st January, 2009. Accordingly, all the Assets and Liabilities of Storage Division of the Transferor Company stands transferred to and vested in the Company with Effect from the appointed date at Book Value into the Company as per the Scheme.
- b) Pursuant to the Scheme of Demerger, in consideration of the transfer of the Storage Undertaking into the Company, 47,53,113 Equity Shares of Rs. 10/- each, fully paid up are issued and allotted by the Company to the shareholders of KEL in the ratio of 10:7 i.e. for every 10 shares in KEL , 7 shares in KTIL.
- c) As per the sanctioned Scheme, against the Net Assets of the Storage Division as on 1st January, 2009 amounting to Rs.15,00,52,173/- (i.e. gross assets of Rs. 31,40,71,445/- as reduced by liabilities amounting to Rs.16,40,19,272/-) Rs.4,75,31,130/- is credited to Equity Share Capital Suspense Account and the balance amount of Rs.10,25,21,043/- is transferred to General Reserve of the Company.
- d) Subsequent to the balance sheet date of the Company as on 1st June, 2010 the Company has issued and allotted 47,53,113 shares to the eligible shareholders of KEL under the Scheme of Demerger.
- e) In view of the above, figures in respect of the current financial year are not comparable with those of the previous year, since the current year figures include the operations of the Storage Division for 12 months i.e from April 2009 to March, 2010.

2. Leases

Land from Kandla Port Trust are obtained on operating lease. The lease term is for 30 years. There are no subleases.

Figures in Rs.

	For the year ended March 31, 2010	For the year ended March 31, 2009
Lease payments for the period	8,09,561	
Minimum lease payments towards non cancellable Lease agreements :		
Not later than one year	8,09,561	
Later than one year not later than five years	32,38,244	
Later than five years	37,45,315	

3. Capital Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs.15,60,958 (Previous Year Rs. NIL).

4. Employee Benefit

Defined Benefit Plan (Gratuity Fund)

In accordance with Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed by independent actuaries in respect of the aforesaid defined benefit plan.

Gratuity Fund is managed by Life Insurance Corporation of India (LIC), However, transfer of funds from KEL Gratuity Trust to KTIL Gratuity Trust pertaining to the employees of the company is in process.

Annual Report 2009-2010

Figures in Rs.

Particulars	Current Year	Previous Year
Change in Defined Benefit Obligation:		
Past Service Cost	59,78,000	
Service cost	4,92,181	
Interest cost	4,62,174	
Actuarial (gain) / loss	22,00,287	
Benefits paid	(4,01,642)	
Present value of the defined benefit obligations (A)	87,31,000	
Change in Plan Asset:		
Opening plan assets, at fair value (Estimated)	59,78,000	
Expected return on plan assets	478,240	
Actuarial gain / (loss)		
Contributions	401,642	
Benefits paid	(401,642)	
Fair value of plan assets (B)	6,456,240	
Cost for the year ended:		
Service cost	492,181	
Interest cost	462,174	
Expected return on plan assets	(478,240)	
Actuarial gain / (loss)	2,200,287	
Total net cost recognized as Gratuity in P&L	2,676,402	
Reconciliation of Benefit Obligations & Planned Assets for the period:		
Present value of the defined benefit obligations (A)	87,31,000	
Fair value of plan assets (B)	6,456,240	
Net asset / (liability) recognized in Balance Sheet	2,274,760	
Investment details of plan assets:		
The plan assets are invested with LIC		
Assumptions:		
Discount rate	8.00%	
Salary escalation rate	5.50%	
Estimated rate of return on plan assets	8.00%	

5. Segment Reporting :- The company is mainly engaged in Storage Business at Kandla and there are no separate reportable segments as required in accordance with AS 17.
6. The Company has accounted for Deferred Tax in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Net Deferred Tax Liability for the

KESAR TERMINALS & INFRASTRUCTURE LTD.

period April 2009 to March 2010 being Rs.1,10,03,003/- has been debited to Profit & Loss Account as detailed below.

	As at 31 st March,2009	During the year	As on 31 st March, 2010
Deferred Tax Liability			
Accumulated Depreciation	Rs. 3,63,75,732/-	Rs. 4,63,792/-	Rs. 3,68,39,524/-
Total Deferred Tax Liability	Rs. 3,63,75,732/-	Rs. 4,63,792/-	Rs. 3,68,39,524/-
Deferred Tax Assets			
Expenses deductible on payment	Rs. 81,610/-	Rs. 8,86,393/-	Rs. 9,68,003/-
Losses Carried Forward	Rs. 1,14,25,604/-	(Rs. 1,14,25,604)	NIL
Total Deferred Tax Assets	Rs.1,15,07,214/-	(Rs.1,05,39,211)	Rs. 9,68,003/-
Deferred Tax Asset / (Liability)	(Rs. 2,48,68,518/-)	(Rs. 1,10,03,003)	(Rs. 3,58,71,521/-)

7. Term Loan from Allahabad Bank for storage expansion is secured by way of first charge on all Fixed Assets and Current Assets both present & future of Storage & Handling Division at Kandla as per the security documents executed by Kesar Enterprises Ltd. However, as per the Court Order, necessary steps will be taken to create the said charge in the name of the Company.
8. Pursuant to Scheme of De-merger as stated above, Deposit with Government & other Authorities and Leasehold lands presently in the name of Kesar Enterprises Ltd., are in the process of transfer in the name of the Company.
9. Related party disclosures under Accounting Standard 18:

Name	Relation
Kesar Enterprises Limited	Enterprise over which Key Management Personnel are able to exercise significant influence.
Mr. H.R. Kilachand	Chairman
Mrs. M.H.Kilachand	Promoter Director
Indian Commercial Co. Pvt. Ltd.	Enterprise over which Key Management Personnel are able to exercise significant influence

Disclosure of transactions between the Company and related parties and the status of outstanding balance as on 31st March, 2010:

Figures in Rs.

Nature of Transaction	Holding Company	Key Managerial Personnel And Relatives	Enterprises over which influence exists
Sharing of Common Expenses			1,78,42,757
Balance Outstanding as on 31st March, 2010.			
Sundry Creditors			177,42,958
Security Deposits			45,00,000

10. Supplementary statutory information

	For the year ended March 31, 2010	For the year ended March 31, 2009
Expenditure in foreign currency	NIL	NIL
Earnings in foreign currency (Accrual basis)	NIL	NIL
Managerial Remuneration	NIL	NIL

Annual Report 2009-2010

11. Based on the information available with the Company regarding the status of the suppliers as defined under the Micro Small and Medium Enterprise Development Act 2006 (the 'MSMED'), no suppliers are outstanding for more than 45 days as per the terms & conditions of the order.
12. Quantitative details are not applicable as the company is not a manufacturing unit.
13. Figures of Storage undertaking for the period April 09 to June 09 (3 months) is already accounted in Kesar Enterprises Limited for the year ended 30th June 2009. As per the Scheme of Demerger as approved by Honourable High Court of Mumbai the Income and Expenses of Storage Division for the said period has been transferred from KEL and accounted in the Profit and Loss account of the Company for the year ended 31st March 2010. The net profit is Rs. 1,74,43,635/- for the said period of 3 months.
14. The common corporate expenses incurred at Corporate Head Office at Mumbai for the year have been allocated in the ratio of 70:30 between KEL and the company. The amount allocated to the company is Rs. 1,78,42,757.
15. Unsecured Loans, Sundry Debtors. Loans and Advances and Sundry Creditors are subject to confirmation and reconciliations, if any.
16. Debtors outstanding for a period exceeding six months amounting to Rs. 70,97,564/- are fully recoverable as perceived by the management and hence no provisions are made.
17. The Depreciation on Assets constructed at Lease hold land of Kandla Port Trust (KPT) has been charged as per the rates prescribed Schedule XIV as the management expects that the lease will be renewed by the KPT based on past practice.

For and on behalf of the Board of Directors

H.R. KILACHAND
Director

A.S. RUIA
Director

Mumbai, 11th August, 2010

KESAR TERMINALS & INFRASTRUCTURE LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

A CASH FLOW FROM OPERATING ACTIVITIES:

NET PROFIT/(LOSS) BEFORE TAX 70,548,878

Adjustments for :

Depreciation 24,184,065

Interest and Finance Charges 12,347,254

Profit on sale of Fixed Assets/ Investments (84,763)

Miscellaneous Expenditure written off 554,152

OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES 107,549,586

Adjustments for :

Inventories 1,914,245

Sundry Debtors (11,260,509)

Other Current Assets 4,383

Loans and Advances 6,221,083

Other Current Liabilities 21,333,592

CASH (USED IN) / GENERATED FROM OPERATIONS 125,762,380

Taxes (Paid)/ Refunds (14,485,326)

NET CASH (USED IN) / FROM OPERATING ACTIVITIES 111,277,054

B. CASH FLOW FROM INVESTING ACTIVITIES :

Purchase of Fixed Assets / Capital Work-in-Progress **(76,933,056)**

Sale/Scrap of Fixed Assets 262,220

NET CASH (USED IN) / FROM INVESTING ACTIVITIES (76,670,836)

C. CASH FLOW FROM FINANCING ACTIVITIES :

Addition/ (Repayment) of Term Loans (22,685,992)

Interest Paid (12,347,254)

NET CASH (USED IN) / FROM FINANCING ACTIVITIES (35,033,246)

NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C) (427,028)

OPENING BALANCE OF CASH AND CASH EQUIVALENTS 5,836,257

CLOSING BALANCE OF CASH AND CASH EQUIVALENTS 5,409,230

Note : Figures in brackets are outflows.

As per our Report of even date attached.
For and on behalf of
Haribhakti & Co.
Chartered Accountants

N.N. Jambusaria
Partner
Mumbai, 11th August, 2010

For and on behalf of the Board of Directors

H.R. KILACHAND A.S. RUIA
Director *Director*

Mumbai, 11th August, 2010

Annual Report 2009-2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Submitted in items of Part IV of Schedule VI to the Companies Act, 1956)

I. REGISTRATION DETAILS

REGISTRATION NO. : U45203MH20008PLC178061

STATE CODE: 11

BALANCE SHEET DATE : 31 03 2010

DATE MONTH YEAR

II. CAPITAL RAISED DURING THE YEAR (Rs. in Lacs)

PUBLIC ISSUE

NIL

RIGHT ISSUE

NIL

BONUS ISSUE

NIL

PRIVATE PLACEMENT

NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

SOURCES OF FUNDS

TOTAL LIABILITIES

335892596

PAID-UP CAPITAL

5000000

SECURED LOANS

99240598

APPLICATION OF FUNDS

NET FIXED ASSETS

333395056

ACCUMULATED LOSSES

NIL

TOTAL ASSETS

335892596

RESERVES AND SURPLUS

141715776

DEFERRED TAX LIABILITY

35871520

UNSECURED LOANS

6533572

INVESTMENTS

5000

NET CURRENT ASSETS

2492540

MISCELLANEOUS EXPENDITURE

0.00

IV. PERFORMANCE OF THE COMPANY

TOTAL INCOME

185132075

PROFIT/(LOSS) BEFORE TAX

70548878

EARNING PER SHARE (IN RS.)

8.25

TOTAL EXPENDITURE

114583197

PROFIT/(LOSS) AFTER TAX

43338134

Dividend Rate %

20

V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (As per monetary terms)

ITEM CODE NO. (ITC CODE) NOT AVAILABLE

PRODUCT DESCRIPTION STORAGE & HANDLING SERVICES OF LIQUID CHEMICALS

KESAR TERMINALS & INFRASTRUCTURE LTD.

Registered Office : Oriental House, 6th Floor, West Wing, 7, Jamshedji 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 2nd Annual General Meeting of the Company, to be held on Tuesday, 14th September, 2010 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

Client ID*	DP ID No.*
Folio No.	No. of Shares

Name and Address of the Member:

KESAR TERMINALS & INFRASTRUCTURE LTD.

Registered Office : Oriental House, 6th Floor, West Wing, 7, Jamshedji Tata Road,
Churchgate, Mumbai 400 020.

PROXY FORM

I/We in the district of
of in the district of being a Member/Members of Kesar Terminals &
Infrastructure Ltd. hereby appoint
of in the district of
of or failing him/her
of or failing him/her
of as my/our your proxy to vote for me/us and on
my/our behalf at the 2nd Annual General Meeting of the Company, to be held on Tuesday, 14th
September, 2010 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor,
18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

Client ID*	DP ID No.*
Folio No.	No. of Shares

Signature of Member or Proxy or Representative

Signed this day of, 2010.

* Applicable for investors holding shares in electronic form.

NOTE : 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 time for holding the aforesaid meeting. The Proxy need not be a member of the company.

* Applicable for investors holding shares in electronic form.

Affix Re. 1 Revenue Stamp

(Signature)

BOOK -POST



If undelivered please return to:

KESAR TERMINAL & INFRASTRUCTURE LTD.

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