

HELD AT \_\_\_\_\_ ON \_\_\_\_\_ TIME \_\_\_\_\_

**MINUTES OF THE 78TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF KESAR ENTERPRISES LTD. HELD ON FRIDAY, 21ST DECEMBER, 2012 AT 3:30 P.M. AT THE INDIAN MERCHANT CHAMBERS, WALCHAND HIRACHAND HALL, CHURCHGATE, MUMBAI 400020, WHEREIN THE FOLLOWING DIRECTORS AND SHAREHOLDERS WERE PRESENT**

Shri H R Kilachand	...	Chairman & Managing Director and Member
Shri A S Ruia	...	Director & Member
Shri K Kannan	...	Director & Member
Shri K D Sheth	...	Director & Member
Smt. M H Kilachand	...	Director & Member
Shri Ajeet Prasad	...	Director & Member
Shri P N Dubey	...	Director & Member
Shri D J Shah	...	Sr. Vice President (Legal) & Company Secretary and Member

and 62 other Shareholders including proxy holders as per the Attendance Register.

Shri H R Kilachand, Chairman & Managing Director took the Chair. As the requisite quorum was present, he called the Meeting to order at 3:30 p.m.

The Chairman welcomed the Shareholders present at the Meeting and introduced the Directors and other Sr. Executives of the Company who were present at the meeting.

The Chairman announced that 27 valid proxies for 37,77,270 shares representing 55.62% of the total voting power, were received. The Proxy Register and duly filled in proxy forms were laid on the table and were kept open for inspection.

The Register of Directors' Shareholding was placed on the table and was kept open & accessible to the Shareholders during the continuance of the Meeting as required under Section 307 of the Companies Act, 1956.

The Notice dated 9th November, 2012 convening the Meeting was taken as read with the permission of the Shareholders.

The printed Statement of the Chairman, giving the gist of operations of the various Divisions of the Company during the years 2011-12 and 2012-13, was circulated before commencement of the Meeting. The same was taken as read with the permission of the Shareholders. However, the Chairman briefly reviewed the working of the Company for the years 2011-12 and 2012-13.

The Chairman said that in the previous season the sugar cane crushing was 93 lac quintals, substantially more than that in the previous year. The recovery was lower. It was not a good season as the State Government had increase the sugarcane price by about Rs.35/- a quintal. It was a very steep increase. The market price of sugar was kept low by Central Government. Hence, the representation was made by the Mills to the State Government against the increase in cane price but nothing was done.

The highlight of the current financial year was the start-up of the Cogen Power Plant, the single largest event of the Company. It involved an investment of over Rs.200 crore. The Company was able to put up the said Plant in a record time of 18 months with the help of all the employees of the Company, all suppliers of equipments, Banks & Financial Institutions. The trial run of the said Plant started in July 2012 and the Commercial operations started from 1<sup>st</sup> October, 2012. The plant is running at full capacity. The Plant was very well designed and is running at full efficiency norms as planned. It is the most efficient single largest sugar based Power Plant in U.P. or may be in the Country. The Plant would run upto June 2012 covering about 9 months of running during the current financial year 2012-13.

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The U. P. Government has again declared a higher sugarcane price for the current season 2012-13 by Rs.40 a quintal, which would result into a higher cost of production of sugar. It is likely that the revenue generated from the Power Plant would offset the losses of Sugar Division, if any. The Board has not recommended any dividend for the financial year 2011-12 in view of the loss but it is likely that dividend may be declared in the current financial year, if the working is good.

As informed to Shareholders last year, the Company is participating with Kesar Terminals & Infrastructure Ltd. [KTIL] in putting up a Composite Logistic Hub in Madhya Pradesh. The construction work of the said Project has started and is progressing as per plan.

The Chairman stated that the Net Worth of the Company had been reduced substantially. Hence, to strengthen the financial position of the Company & to improve its Net Worth, the Company decided to issue 82,35,000 (Eighty Two Lac Thirty Five Thousand) Zero Coupon Optionally Convertible Preference Shares ("OCPS") of Rs.10/- fully paid-up each aggregating to Rs.8,23,50,000/- with an option to convert the OCPS into Equity Shares, either partially or entirely, in one or more tranches, in one or more financial years, within a period of 18 months, subject to the shareholders approval on a Preferential Issue basis to the Promoter Group Companies. The Promoter Group Companies had given non-interest bearing unsecured loans to the Company. Accordingly, the Company had posted the Postal Ballot Notice containing the required resolutions with explanatory statements, postal ballot form, prepaid business reply envelope, seeking shareholders approval for issue of OCPS on a Preferential basis.

Thereafter, the Auditor's Report to the Shareholders was read by Shri D J Shah, Sr. Vice President (Legal) & Company Secretary.

#### RESOLUTION NO.: 1

The Chairman then proposed the following as an **Ordinary Resolution**:

**"RESOLVED THAT** the Balance Sheet as at 30th June 2012, Profit & Loss A/c. for the year ended on that date together with the Directors' Report and Auditor's Report thereon, be and are hereby received, approved and adopted."

Before the said resolution was put to vote, the Chairman invited the Shareholders to speak on the Statement of Accounts placed before the Meeting.

The Shareholders viz. Smt. Ashalata Maheshwari, Shri P A Vijaykar, Shri Manu Parekh, Shri Hariram Chaudhary, Smt. Shobhana Mehta, Shri Vinitkumar Parikh, Shri S J Mehta, Shri K S Batra, Smt. C. E. Mascarenhas, Shri Janak Mathuradas and Shri Aspi Bhesania; congratulated the Company for starting of the Power Plant, wished good growth for the Company, welcomed Shri P N Dubey on the Board of the Company and expressed their views and sought clarification on various matters like working of the Company for the last financial year, performance and profitability of the Power Project, possibility of dividend in the current year, whether any court cases pertaining to arrears of cane payment are still pending, whether the Company pays its due on due dates, requested for information about various matters like impact of increased sugar cane price, average rate of interest payable to the Banks, prospects of Seed Division, reasons for having the Research & Development facilities at Hyderabad, suggested to sub-divide the face value of the equity shares of the Company from the present Rs.10/- per share, requested for factory visit, demanded discount coupons for purchasing sugar, information about electronic voting, number of Annual Reports printed. The Chairman replied satisfactorily to the above questions.

Thereafter, **Shri P A Vijaykar** seconded the said Resolution. The Resolution was then put to vote and was declared carried unanimously.




CHAIRMAN'S INITIALS

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**RESOLUTION NO.: 2 - Ordinary Resolution for reappointment of Shri K Kannan as Director**

"RESOLVED THAT Shri K Kannan, who retires by rotation and being eligible under the Articles of Association of the Company, be and is hereby reappointed as Director of the Company."

Shri H V Sanghavi proposed the Resolution. Smt. Mascarenhas seconded the same. The Resolution was then put to vote and was declared carried unanimously.

**RESOLUTION NO.: 3 - Ordinary Resolution for reappointment of Shri A S Ruia**

"RESOLVED THAT Shri A S Ruia, who retires by rotation and being eligible under the Articles of Association of the Company, be and is hereby reappointed as Director of the Company."

Shri Sudhir Mehta proposed the Resolution. Shri P A Vijaykar seconded the same. The Resolution was then put to vote and was declared carried unanimously.

**RESOLUTION NO.: 4 - Ordinary Resolution for appointment of M/s. Haribhakti & Co., Chartered Accountants, Mumbai as Auditors of the Company**

"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 Auditors of the Company to hold the 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 at the factories of the Company."

Shri Hariram Chaudhary proposed the Resolution. Smt. Mascarenhas seconded the same. The resolution was then put to vote and was declared carried unanimously.

**RESOLUTION NO.: 5 - Ordinary Resolution for appointment of Shri Prakash Narain Dubey as Director**

"RESOLVED THAT Shri Prakash Narain Dubey who was appointed as an Additional Director of the Company on 18.4.2012 by the Board of Directors 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 read with Article 161 of the Articles of Association of the Company 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 Dubey for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

Smt. Shobhana Mehta proposed the Resolution. Shri Aspi Bhesania seconded the same. The Resolution was then put to vote and was declared carried unanimously.

The Chairman then requested Shri A S Ruia to take the Chair as he was considered interested in the following Resolution No. 6. Then, Shri A S Ruia took the Chair and proceeded with the meeting.

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**RESOLUTION NO.: 6 - Special Resolution to increase remuneration of Shri Rohan H Kilachand**

"RESOLVED THAT pursuant to Section 314 read with the Director's Relatives (Office or Place of Profit) Amendment Rules, 2011 and any other applicable provisions, if any, of the Companies Act, 1956, consent of the Members of the Company, be and is hereby accorded to increase the remuneration of Shri Rohan H Kilachand, a relative (son) of Shri H R Kilachand, Chairman and Managing Director and Smt. M H Kilachand, Director of the Company, from Rs.50,000/- per month [Rs.6,00,000/- per annum] all inclusive to Rs.1,50,000/- per month [Rs.18,00,000/- per annum] all inclusive to be bifurcated in various heads of payment as per the policy of the Company, with effect from 1.7.2012."

"RESOLVED FURTHER THAT the above remuneration be reviewed subsequently, subject to the maximum prescribed limit of Rs.2,50,000/- per month [Rs.30,00,000/- per annum] under the Director's Relatives (Office or Place of Profit) Amendment Rules, 2011, as may be recommended by the Remuneration Committee and approved by the Board of Directors of the Company."

"RESOLVED FURTHER THAT The Board of Directors / the Company Secretary be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution."

At the outset, Shri A S Ruia made a reference to the views expressed by one of the shareholders on the proposed increase in remuneration of Shri Rohan H Kilachand. He said that Shri Rohan Kilachand is a Bachelor of Science in Chemical Engineering from Carnegie Mellon University, Pittsburgh, Pennsylvania, U.S.A. He has experience in Project handling and execution. He has been designated as Vice President. Shri Ruia informed the Shareholders that the Remuneration Committee had taken into consideration various points while recommending the proposal of increase in the remuneration of Shri Rohan Kilachand. Shri Ruia further said that Shri Rohan Kilachand had completed about 22 months of service with the Company. During that period, he was actively involved from the construction till commissioning of the 44mw Bagasse based Co-generation Power Plant of the Company at Baheri. Additionally, before joining the Company, he had 2 years of experience with Cairn India Limited as Production Engineer. The proposed increase in his salary is commensurate with the prevailing norms in the Industry for similar experienced persons.

Smt. Ashalata Maheshwari proposed the Resolution. Shri P A Vijaykar seconded the same. The resolution was then put to vote and was declared carried unanimously.

Thereafter, Shri A S Ruia requested Shri H R Kilachand to take back the Chair. Shri Kilachand then took the Chair again and announced that the meeting was over.

The meeting was then terminated with a vote of thanks to the Chair as proposed by Smt. Ashalata Maheshwari, Shri J. P. Maheshwari, Smt. Shobhana Mehta, Shri P A Vijaykar, Smt. Mascarenhas and Shri Sudhir Mehta.

  
18/01/2013  
CHAIRMAN & MANAGING DIRECTOR