

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

**MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF KESAR ENTERPRISES LTD. HELD ON TUESDAY, 18TH MARCH, 2014 AT 3:30 P.M. AT M C GHIA HALL, BHOGILAL HARGOVINDAS BUILDING, 4TH FLOOR, 18/20, KAIKHUSHRU DUBASH MARG, MUMBAI 400001, 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 P Nayak	...	Nominee Director
Shri D J Shah	...	Sr. Vice President (Legal) & Company Secretary and Member

and 45 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. The Chairman then introduced Sr. Executives of the Company who were present at the meeting.

The Chairman announced that 26 valid proxies for 58,19,581 shares representing 67.51% 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 13th February, 2014 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 various Divisions of the Company during the year 2013-14, was circulated before commencement of the Meeting. However, the Chairman briefly reviewed the working of the Company for the year 2013-14.

The Chairman informed that the sugar factory was running and it was expected that it will shut down by 2<sup>nd</sup> week of April 2014. He informed that the production of sugar was far lower than that in the previous year due to phenomenon in the whole of UP. He said that the prices of sugar would go up due to less sugar production and some favourable measures taken by the Central Government like announcement of export subsidy etc. He further said that all sugar Companies not only in UP but all over the country were affected badly. The sugar business was making losses everywhere and it would take at least two years to change the situation and recover the said losses by sugar factories, which happened during the last year. He apprised that the Power plant was running at full capacity and had exported about Rs.27 crore worth of power and it was expected that the Power plant would run for another one & a half month before shut down. The Chairman stated that the UP Government would announce the upward revision in rates for power from 1st April, 2014, which would help the Power plant to do better. The Distillery was doing well & running at full capacity.

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The Chairman then requested Shri A S Ruia to take the Chair as he was considered interested in the Special Resolution No.1 for Preferential issue of Optionally Convertible Preference Shares.

Then, Shri A S Ruia took the Chair and proceeded with the meeting. Shri A S Ruia informed the shareholders in brief about the Special Resolution.

Shri A S Ruia then proposed the following as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and / or the Companies Act, 2013 (hereinafter referred to as the **"Companies Act"**) (including any statutory modification or re-enactment thereof for the time being in force), read with the Memorandum of Association and Articles of Association of the Company and the Listing Agreements entered into with the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd., where the Company's Equity Shares are listed, regulations for Preferential Issue contained in Chapter VII of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 and the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as may be modified or re-enacted from time to time (hereinafter referred as **"SEBI Regulations"**) the applicable Rules, Notifications, Regulations issued by the Government of India, Securities and Exchange Board of India (**SEBI**) and subject to the approvals, consents, permissions, sanctions of the Stock Exchanges, SEBI or all concerned statutory and other authorities as may be necessary, and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions, the Board of Directors of the Company (hereinafter referred to as **"the Board"**), which term shall be deemed to include any Committee of the Directors for the time being, exercising the power conferred to the Board, be and is hereby authorised on behalf of the Company to create, offer, issue and allot upto 30,65,000 Zero Coupon Optionally Convertible Preference Shares (**"OCPS"**) of Rs.10/- each fully paid-up aggregating upto Rs.3,06,50,000/- convertible into Equity Shares of the Company on the terms and conditions mentioned hereinafter in this Resolution to the Promoters / Promoter Group as set out hereunder on Preferential basis (hereinafter referred to as the **"Proposed Allottees"**), with an option to the Proposed Allottees to convert, either partially or entire OCPS, in one or more tranches:

Sr	Name	Address	Category	Maximum No. of OCPS proposed to be issued
1	Kesar Corporation Pvt. Ltd.	Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai 400 020	Promoter	2,45,700
2	Duracell Investments and Finance Pvt. Ltd.	Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai 400 020	Promoter Group	13,94,400
3	Seel Investment Pvt. Ltd.	Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai 400 020	Promoter Group	14,24,900
Total				30,65,000

**"RESOLVED FURTHER THAT** OCPS shall be issued by the Company on Preferential basis on the following terms and conditions:

- (i) The Proposed Allottees may opt, by giving in writing 3 days advance notice to the Company, to convert OCPS, partially or fully, into Equity Shares of Rs.10/- each within a period of 18 months from the date of allotment of OCPS, in one or more tranches, at a price of Rs.21/- each (including securities premium of Rs.11/-) or at a price as calculated with respect to the Relevant Date being 14th February, 2014 as per Regulation 76 of the SEBI (ICDR) Regulations, 2009, whichever is higher; subject to approval of SEBI under the SEBI (Substantial

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Acquisition of Shares and Takeovers) Regulations, 2011, if required, against such number of OCPS as may be required for conversion into equity shares at above price. In the event of conversion price being more than Rs.21/- per Equity Share, in that case, the Equity Shares to be issued on conversion of OCPS shall be rounded off to nearest lower multiple of hundred and the balance remaining, if any, after exercise of the options on expiry of 18 months shall be redeemed after a period of 10 years from the date of allotment or earlier at the option of the Company but not earlier than 7 years from the date of allotment.

- (ii) OCPS/ Equity Shares to be issued on conversion of OCPS as above shall be locked-in for a period as prescribed in the SEBI (ICDR) Regulations. On conversion of any OCPS into Equity Shares, such shares shall also be locked-in for a period of 3 years / 1 year as prescribed under the SEBI (ICDR) Regulations. However, the lock-in period, of such Equity Shares allotted pursuant to the conversion of OCPS issued on Preferential Basis, shall be reduced to the extent OCPS have already been locked-in.
- (iii) The Equity Shares to be issued on opting for conversion, shall rank pari passu in all respects with the existing Equity Shares of the Company and shall carry the right to receive dividend and other distributions to be declared thereafter during the year, from the date of conversion.
- (iv) The entire amount of consideration payable towards subscription of OCPS shall be appropriated out of the amount already brought-in by the Proposed Allottees by way of unsecured loan.
- (v) Upon receipt of the conversion notice, the Board / Committee shall allot appropriate number of Equity Shares to the Proposed Allottees.
- (vi) In the event of the Proposed Allottees not opting to convert, OCPS will be redeemed after a period of 10 years from the date of allotment or earlier at the option of the Company but not earlier than 7 years from the date of allotment.
- (vii) OCPS by itself do not give to the Proposed Allottees any rights of the Equity Shareholders of the Company unless converted into Equity Shares of the Company.
- (viii) The resultant Equity Shares will be subject to Memorandum and Articles of Association of the Company in all respects."

**"RESOLVED FURTHER THAT** the Relevant Date for the purpose of calculating the minimum price for conversion of OCPS into Equity Shares, under Chapter VII of the SEBI (ICDR) Regulations, 2009 will be 14th February, 2014 being the date 30 days prior to the date of passing of this Resolution i.e. 18th March, 2014."

**"RESOLVED FURTHER THAT** the Equity Shares, if allotted on the conversion of OCPS, shall rank pari passu in all respects with the then existing Equity Shares of the Company with a right to receive dividend and other distributions to be declared thereafter during the year."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors / Committee thereof be and is hereby authorised, on behalf of the Company, to take all actions and do all such deeds and things as it may, in its absolute discretion, deem necessary, desirable or expedient with respect to the issue or allotment of the aforesaid OCPS and Equity Shares, if allotted upon exercise of rights attached to such OCPS and to list such Equity Shares with the Stock Exchanges, as may be appropriate, and to resolve and settle all questions or difficulties or doubts that may arise in connection with the proposed offer, issue and allotment of the said OCPS and / or Equity Shares, if allotted upon exercise of rights attached to such OCPS and to do all acts, deeds and things in connection therewith

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and incidental thereto as the Board may, in its absolute discretion, deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate any or all the powers conferred upon it by this Resolution, to any Committee formed thereof, or to any individual so authorised by the Board."

Before the said resolution was put to vote, Shri A S Ruia invited the Shareholders to speak on the Special Resolution as placed before the Meeting.

The Shareholders viz. Shri Parikh, Smt. Ashalata Maheshwari, Shri P K Vakil, Shri E Mascarenhas, and Shri Bhesania spoke on various matters related to the Special Resolution and the Company like enquired about sugar prices, loss incurred by the Company, cane development etc. They expressed their views and provided their support to Special Resolution.

Shri S Ruia replied satisfactorily to the above questions and gave further information about the Company related matter as desired by the shareholders.

Shri Maheshwari and Shri Sudhir Mehta seconded the said Special Resolution. The Special Resolution was then put to vote and was declared carried by **Requisite Majority**.

Thereafter, Shri A S Ruia requested Shri H R Kilachand to take back the Chair.

Shri Kilachand then took the Chair again and conducted the remaining business of the meeting.

Shri Kilachand also, replied the questions of some of the Shareholders like the sugar prices had dropped below the cost of raw material. The Company had to pay higher cane price in the last year and for the current year also the same cane price of Rs.280/- was announced by the UP Government but it was divided into two parts i.e. Rs.260/- per quintal of cane was to be paid within 14 days of purchase of sugarcane and the balance Rs.20/- by end of the marketing year 2014. The sugar prices had started moving upwards due to favourable announcements by the Central Government like excise duty rebate and rebate on export of raw sugar, less sugar production of the country etc. But that would not cover the losses suffered by the Company till date. He said that it would take about 2 to 3 years to recover those losses. The Power plant is capable of running on coal also and if the Company gets coal at better price the Company would earn substantially. He said that efforts were made to cut the cost of production, to do lot of cane development and introducing new varieties.

The Chairman then 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, and Shri Sudhir Mehta.



  
15/04/2014  
CHAIRMAN & MANAGING DIRECTOR