



# KESAR ENTERPRISES LIMITED

Regd. Off: Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai-400 020, India. Website : <http://www.kesarindia.com>  
Phone : (+91-22) 22042396 / 22851737 Fax : (+91-22) 22876162 E-mail : [headoffice@kesarindia.com](mailto:headoffice@kesarindia.com)  
CIN : L24116MH1933PLC001996

29<sup>th</sup> August, 2018

To,

Listing Compliance BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 <b>Scrip: 507180</b>	National Stock Exchange of India Ltd. 5 <sup>th</sup> Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 <b>Scrip Symbol: KESARENT</b>
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Dear Sir / Madam,

**Sub: Annual Report**

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 we are forwarding herewith Annual Report of the Company for the Financial Year ended on 31.3.2018 approved and adopted in the Annual General Meeting of the Company held on Tuesday, 14<sup>th</sup> August, 2018 at 11:00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001.

Kindly put the same on your notice board for the information of the Members and Shareholders of the Company.

Thanking you,

Yours faithfully,  
For **Kesar Enterprises Ltd.**

**D J Shah**  
**Sr. Vice President (Legal) &**  
**Company Secretary**



83rd Annual Report  
2017~18

**KESAR ENTERPRISES LIMITED**

# **KESAR ENTERPRISES LIMITED**

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# **KE** KESAR ENTERPRISES LIMITED

(Incorporated under the Indian Companies Act VII of 1913)

CIN: L24116MH1933PLC001996

## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	H R KILACHAND A S RUIA P N DUBEY M A KUVADIA D J SHAH	Chairman & Managing Director Independent Director [w.e.f. 30.04.2018] Independent Director [upto 30.04.2018] Independent Director Director & Company Secretary [Whole-Time Director-upto 30.04.2018]
<b>SR. VICE PRESIDENT [LEGAL] &amp; COMPANY SECRETARY</b>	D J SHAH	
<b>CHIEF FINANCIAL OFFICER (CFO)</b>	ROHIT BALU	
<b>BANKERS</b>	Allahabad Bank Uttar Pradesh Co-operative Bank Limited UCO Bank	
<b>AUDITORS</b>	Haribhakti & Co. LLP, Chartered Accountants	
<b>SUGAR FACTORY, SPIRITS AND POWER PLANT</b>	Baheri, Dist. Bareilly, U.P.	
<b>REGISTERED OFFICE</b>	Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai - 400 020.	
<b>REGISTRAR &amp; TRANSFER AGENTS</b>	SHAREX DYNAMIC (INDIA) PVT. LTD. Unit No.1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072	
<b>AUDIT COMMITTEE MEMBERS</b>	A S RUIA P N DUBEY H R KILACHAND M A KUVADIA	Chairman of the Committee [w.e.f. 30.04.2018] Chairman of the Committee [ upto 30.04.2018] Member of the Committee Member of the Committee

# Annual Report 2017-2018

## NOTICE

**NOTICE** is hereby given that the **83rd** Annual General Meeting of the Members of **KESAR ENTERPRISES LTD.** will be held on **Tuesday, 14th August, 2018 at 11:00 a.m.** at **M C Ghia Hall, Bhogilal Hargovindas Building, 4th 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, 2018 and Statement of Profit & Loss for the period ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri H R Kilachand [DIN 00294835], who retires by rotation and being eligible, offers himself for reappointment.

### **SPECIAL BUSINESS:**

3. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment(s) thereof, for the time being in force) and as recommended by the Audit Committee and approved by the Board of Directors, the appointment and payment of remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) (the same as that in the previous year) plus GST as applicable and reimbursement of actual travel and out of pocket expenses to Rishi Mohan Bansal, Cost Accountant, Kanpur (Registration No.000022) as Cost Auditor, to conduct the audit of the Cost Records of the Company relating to Sugar & Industrial Alcohol and Electricity for the year ending 31st March, 2019, be and is hereby ratified by the Members."

**"RESOLVED FURTHER THAT** Shri D J Shah, Sr. Vice President (Legal) & Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including filing of prescribed forms with the Registrar of Companies."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment(s) thereof, for the time being in force) and SEBI (LODR) Regulations 2015, and as recommended by the Nomination & Remuneration Committee and the Board of Directors, Shri A S Ruia (DIN: 00296622) aged 75 years, who was appointed as Additional Director in the category of an Independent Director by the Board of Directors at their meeting held on 30.04.2018, whose term is upto the conclusion of this meeting, be and is hereby appointed as an Independent Director of the Company, considering his vast experience in the Sugar & Spirits Industries and also his past association with the Company since 1985, his appointment being in the interest of the Company, to hold office for the 2nd Term of 5 (five) consecutive years effective from 30.04.2018 up to the conclusion of the 88th Annual General Meeting of the Company as and when held and that he will not be liable to retire by rotation."

5. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, and as recommended by the Nomination & Remuneration Committee and the Board of Directors, consent of the Shareholders of the Company be and is hereby accorded & ratified for the appointment of Shri D J Shah (DIN 03095028) as the Whole-Time Director of the Company designated as "Director & Company Secretary" for the period 27.01.2018 to 30.04.2018 without any remuneration."

**"RESOLVED FURTHER THAT** Shri D J Shah be allowed reimbursement of expenses actually and properly incurred by him for the business of the Company during that period, if any."

**"RESOLVED FURTHER THAT** Shri D J Shah be and is hereby authorised to do all such things as may be required to give effect to the above Resolutions including filing of various forms with the Registrar of Companies."

#### **Registered Office:**

Oriental House,  
7, Jamshedji Tata Road,  
Churchgate, Mumbai 400020.  
13th June, 2018

By Order of the Board of Directors

**D J SHAH**  
Sr. Vice President (Legal) & Company Secretary

## Notes:

- a) A member, entitled to attend and vote at the Annual General Meeting, is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself 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.

A person can act as a proxy for not exceeding 50 Members and holding in the aggregate not more than 10% of the total Share Capital of the Company carrying voting rights. A Member holding more than 10% of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member.

- b) The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday, 7th August, 2018 to Tuesday, 14th August, 2018** (both days inclusive) for the purpose of Annual General Meeting. The Shareholders are requested to inform of change in address, if any, at the earliest.
- c) The Unclaimed Dividend upto the Financial Year 2009-10 have been transferred to the Investor Education and Protection Fund (Fund) set up by the Central Government pursuant to Section 125 of the Companies Act, 2013. The unclaimed Dividend for the year 2010-11 will be transferred to the Fund on or before 14.01.2019.
- d) The Members may lodge their shares for transfer / transmission with the office of M/s. Sharex Dynamic (India) Pvt. Ltd., the Registrar and Transfer Agents at their office at Unit No. 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai 400072 or with the Company.
- e) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
- f) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing Annual General Meeting.
- g) 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.
- h) 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.
- i) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- j) The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India (GOI), has permitted Companies to send official documents to their Members electronically as part of its green initiatives in Corporate Governance. To support the green initiative of the MCA, the Notice of AGM, Directors' Report, Management Discussion and Analysis, Corporate Governance Report, Auditors' Report, Financial Statements etc., is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. The Members who have not registered their email addresses so far are requested to register their email address with their Depository Participant only, for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Hence, kindly provide them your email address for serving by electronic mode the notice/documents as a part of the Green Initiative in Corporate Governance. The said information / request can be sent by members to M/s. Sharex Dynamic (India) Pvt. Ltd., the Registrar and Transfer Agents through email id **sharexindia@vsnl.com** or the Company's email id **djs@kesarindia.com**.

## k) E-Voting:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with the facility to exercise their right to vote at the 83rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Company has signed an agreement with CDSL for facilitating e-Voting to enable the Shareholders to cast their vote electronically.

### Process for E-Voting

**The instructions for Members for voting electronically are as under:-**

- (i) The voting period will begin on Friday, 10th August, 2018 at 9:00 am and end on Monday, 13th August, 2018 at 5:00 pm. During this period, the Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 7th August, 2018, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com).

# Annual Report 2017-2018

- (iii) Click on **"Shareholders"**.
- (iv) Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> </ul>
	<ul style="list-style-type: none"> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details Or Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- (viii) After entering these details appropriately, click on **"SUBMIT"** tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Kesar Enterprises Ltd. on which you choose to vote.
- (xii) On the voting page, you will see **"RESOLUTION DESCRIPTION"** and against the same the option **"YES/NO"** for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.
- (xiii) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
- (xv) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on **"Click here to print"** option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on **Forgot Password** & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xiv) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions (“FAQs”) and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). **or call on 18002 25533**
- (xxi) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (xxii) Ragini Chokshi & Co., Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner. The Scrutinizer shall within a period of not exceeding 3 (three) working days from the conclusion of the e-Voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxi) The Results declared at the AGM of the Company along with the Scrutinizer’s Report shall be placed on the Company’s website [www.kesarindia.com](http://www.kesarindia.com) and on the website of CDSL within 3 (three) working days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

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## ANNEXURE TO THE NOTICE

### Explanatory Statement as required under Section 102 of the Companies Act, 2013

#### **Item No.3: Ratification for Appointment & Payment of Remuneration to Rishi Mohan Bansal as Cost Auditor:**

Pursuant to Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the appointment of and remuneration payable to Rishi Mohan Bansal, Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the Shareholders of the Company.

On the recommendations of the Audit Committee, the Board has approved the appointment & payment of remuneration of Rs.50,000/- (the same as that in the previous year) to Rishi Mohan Bansal, Cost Accountant, Kanpur (Regn. No.000022), as Cost Auditor for conducting the cost audit of the cost records of the Company relating to Sugar & Industrial Alcohol and Electricity for the year ending 31st March, 2019.

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

The Board recommends the Resolution as set out at Item No.3 of the Notice of the AGM for your approval.

#### **Item No. 4: Appointment of Shri A S Ruia as an Independent Director**

Shri A S Ruia has been appointed as an Additional Director in the category of Independent Director by the Board of Directors as recommended by the Nomination & Remuneration Committee at their meeting held on 30.04.2018. His term of appointment is upto the conclusion of this meeting.

Shri A S Ruia was Director in the Company from 23.03.1985 to 19.03.2015 as per the Companies Act, 1956, and thereafter, he was the Independent Director of the Company from 19.3.2015 to 29.04.2016 as per the Companies Act, 2013 and as such he had completed his 1st term as Independent Director of the Company. His appointment as an Independent Director has been proposed as a Special Resolution for your approval as the proposed appointment is for the second Term of 5 years and also that his age is 75 years. Considering his vast experience in Sugar & Spirits Industries and also his past association with the Company since 1985, his appointment would be in the interest of the Company.

Pursuant to Section 149 of the Companies Act 2013 and SEBI (LODR) Regulations, 2015 as amended, Shri A S Ruia will hold office as an Independent Director for the 2nd term of 5 (five) consecutive years from 30.04.2018 till conclusion of the 88th Annual General Meeting of the Company as and when held.

The Company has received from Shri A S Ruia, (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) Intimation in Form DIR-8 that he is not disqualified under section 164(2) of the Act in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014; and (iii) Declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act.

In the opinion of the Board, Shri A S Ruia fulfils the conditions for his appointment as an Independent Director as specified in the Act and SEBI (LODR) Regulations, 2015 as amended from time to time, and hence, the Board recommends for his appointment.

Copies of the draft letter for appointment of Shri A S Ruia, as the Independent Director setting out the terms and conditions is available for inspection at the Registered Office of the Company.



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Shri A S Ruia, is interested in the resolution set out at No.4 of the Notice with regard to his appointment. The relatives of Shri A S Ruia, may be deemed to be interested in the resolutions set out at No.4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or his relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution.

Brief resume of Shri A S Ruia, nature of his expertise in specific functional areas and names of companies in which he holds Directorship and Membership / Chairmanship of Board Committees, shareholding and relationship between Directors inter-se is given below:

<b>Name of the Director</b>	<b>Shri Anilkumar S. Ruia</b>
<b>Date of Birth</b>	17.12.1943
<b>Date of Appointment on the Board</b>	30.04.2018
<b>Qualification</b>	Sr. Cambridge
<b>Expertise in Functional Area</b>	Shri A S Ruia was on the Board as Director from 25.3.1985 to 19.03.2015. He is an Industrialist and is highly respected for his knowledge and experience in sugar & distillery industry.
<b>Number of Shares held in the Company</b>	1000
<b>List of Directorship held in other Companies</b>	Kesar Terminals & Infrastructure Ltd. Kesar Multimodal Logistics Ltd. The Kolhapur Sugar Mills Ltd. Ruarco Investments Pvt. Ltd. Ruia & Ruia Pvt. Ltd.
<b>Chairman/Member of the Committees of the Boards of Companies in which he / she is Director</b>	<b>Chairman of:</b> (1) Audit Committee; and Nomination & Remuneration Committee of Kesar Enterprises Ltd.; (2) Audit Committee; and Stakeholders Relationship Committee of Kesar Terminals & Infrastructure Ltd.; (3) Audit Committee of Kesar Multimodal Logistics Ltd <b>Member of:</b> (1) Stakeholders Relationship Committee; & CSR Committee of Kesar Enterprises Ltd.; (2) Nomination & Remuneration Committee of Kesar Terminals & Infrastructure Ltd.; (3) Nomination & Remuneration Committee of Kesar Multimodal Logistics Ltd

The Board recommends the Special Resolution set out at Item No.4 of the Notice for your approval.

## Items No.5: Appointment of Shri D J Shah as a Whole-Time Director

Pursuant to the provisions of Sections 196, 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 & the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Association of the Company and subject to approval of the Members of the Company and keeping in view the vast expertise and knowledge of Shri D J Shah, the Board of Directors had reappointed Shri D J Shah as a Whole-Time Director designated as "Director & Company Secretary", in his professional capacity, for a period of 3 years from 27.01.2018 to 26.01.2021.

The remuneration to Shri D J Shah was approved by the Nomination & Remuneration Committee and also by the Board of Directors of the Company at their meeting held on 14.12.2017 subject to approval of the Shareholders of the Company.

As per the recently amended Companies Act, 2013, the Company is required to obtain prior approval of the Lender Banks as the Company has been in default in repayment of its debts including interest thereon. Since, it was unlikely to get such approval from the Banks, Shri D J Shah resigned as Whole-Time Director with effect from 30.04.2018, which was accepted by the Board of Directors of the Company. Shri D J Shah has returned his remuneration for the period from 27.1.2018 to 31.03.2018 and has not drawn any remuneration for the month of April 2018 as per the Companies Act, 2013. However, the Nomination & Remuneration Committee and the Board of Directors have continued his services as the Company Secretary with his earlier designation "Sr. Vice President (Legal) & Company Secretary".

The Company had received from Shri D J Shah - (i) Consent to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) Intimation in Form DIR-8 that he is not disqualified under section 164(2) of the Act in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014.

A brief profile of Shri D J Shah is as under:

INFORMATION ABOUT THE APPOINTEE - SHRI D J SHAH:	
DIN	03095028
Birth Date	12.07.1955
Nationality	Indian
Board Reappointed	On 14.12.2017 for 3 years from 27.01.2018
Resignation	As Whole-Time Director with effect from 30.04.2018.
Qualification	B.Com.; Diploma in Financial Management (DFM); Fellow Company Secretary (FCS-5410);
Experience	He has been with the Company since 23.12.1993. He has about 34 years of experience in Secretarial & Legal, Administration and Personnel Department.
Relationship	Key Managerial Personnel
Shareholding	500 Shares Equity Shares
Relationship with other Director	Nil
List of other Directorship	Nil

The proposed Special Resolution is to ratify the appointment of Shri D J Shah as Whole-Time Director for the period 27.01.2018 to 30.04.2018 without payment of remuneration for the said period.

Save and except Shri D J Shah and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at No.5 of the Notice.

The Board recommends the Special Resolution as set out at No.5 of the Notice for your approval.

**Registered Office:**

Oriental House,  
7, Jamshedji Tata Road,  
Churchgate,  
Mumbai – 400 020  
13th June, 2018

By Order of the Board of Directors

**D J SHAH**  
**Sr. Vice President (Legal) & Company Secretary**

# Annual Report 2017-2018

## DIRECTORS' REPORT

To  
The Shareholders,  
Kesar Enterprises Ltd.

Dear Members,

Your Directors present to you the 83rd Annual Report and audited Statement of Accounts for the year ended 31st March, 2018. The Company has adopted for the first time the Indian Accounting Standards (IND-AS) from 01.04.2017 with transition date 01.04.2016.

### FINANCIAL RESULTS:

(Rs. In Lakh)

	2017-18	2016-17
<b>Profit / (Loss) before interest, depreciation &amp; taxation</b>	<b>1,464.13</b>	6,575.29
Less: Interest and Finance Charges	<b>4,316.66</b>	4,052.42
<b>Profit / (Loss) before Depreciation &amp; taxation (Cash Loss)</b>	<b>(2,852.53)</b>	2,522.87
Less: Depreciation	<b>1,819.14</b>	1,897.64
<b>Less: Taxation (Deferred Tax)</b>		9.05
Profit / (Loss)	<b>(4,671.67)</b>	616.18
Other Comprehensive Income	<b>(688.04)</b>	178.38
Items that will not be reclassified to profit or loss	<b>(5359.71)</b>	794.56

For the Financial Year 2017-18, there is a loss of Rs.5,359.71 lakh as against a profit of Rs.794.56 lakh in the previous year.

During the year under review, the Company has incurred huge cash loss due to mismatch between high Sugar Cane Price and low Sugar Sales realisation. Over the last few years, the Sugar Industry was facing severe difficulties on account of high sugar cane prices set by the State Government, lower sugar prices and consequential inadequate recovery of cost of production. These factors have adversely affected the Company's operations and financial performance. Hence, the entire net worth of the Company is eroded and its current liabilities are in excess of current assets.

In view of the above, your Directors have not recommended any dividend for the financial year 2017-18.

### WORKING OF THE DIVISIONS

#### Sugar Division

The crushing for the Season 2017-18 started on 03.11.2017 i.e. 10 days earlier as compared to 13.11.2016 in the previous season and ended on 30.04.2018 as against 10.03.2017 i.e. 51 days later than the previous season.

During the season, the plant crushed 105.99 lakh quintals of sugarcane in 179 days as against 65.08 lakh quintals in 118 days in the previous season. Crushing was higher by 40.91 lakh quintals during this season due to better cane yield and more supply of sugarcane by the farmers due to timely cane price payment to the farmers. The sugar recovery overall was at 10.63% as against 10.81% in the previous season. This was due to our cane development programme of changing the varieties into early maturing high sugar canes. The production of sugar was higher at 11.27 lakh quintals as against 7.04 lakh quintals in the previous season.

For the Season 2017-18, the Central Government had announced a Fair & Remunerative Price [FRP] of sugarcane at Rs.260/- a quintal at a base recovery of 9.50%. The UP Government had announced a State Advised Price (SAP) of sugarcane of Rs.315/- (normal variety) a quintal as against Rs.305/- a quintal in the previous season. The said price was to be paid to the farmers within 14 days.

During the last few years, the cost of production in UP was the highest in the country, which rendered the UP Sugar Industry unviable, cash-starved and uncompetitive. There is an urgent need to rationalize the cane pricing policy in UP and adopt a 'linkage formula' as recommended by the Rangarajan Committee linking sugar cane price to sugar prices. The two major sugar producing States i.e. Maharashtra and Karnataka, who together contribute for almost 50% of the country's sugar production, have adopted and implemented the 'linkage formula' for determining cane price. It is understood that a team of senior officials from UP had visited Maharashtra and Karnataka to study their cane pricing system and have submitted their report to the State Government but no decision is taken till date in the matter. The U P Government had announced the formation of a high level Committee to determine a fair Sugarcane Pricing Policy. This is the only long term solution for stability & viability of the Sugar industry.

During the Season 2017-18, Molasses produced was 4.62 lakh quintals as against 2.74 lakh quintals the previous season 2016-17.

The UP Government had announced the Molasses Policy for 2017-18 (November-October), wherein the molasses reservation rate for the country liquor manufacturers had been retained at 12%.

During the year under review, there has been decrease in sugar prices from the levels prevailing in the previous year due to excessive selling by all Mills. This has resulted in the Company making losses for the financial year 31.03.2018. The industry outlook is negative in the short term.

## **Power Division**

During the Sugar Season 2017-18, the Plant started on 31.10.2017 as against 11.11.2016 and operated for 209 days as against 152 days, higher by 53 days than in the previous Season, due to higher crushing of sugarcane and purchase of additional alternate fuel. The Plant consumed 3.41 lakh MT of bagasse / alternate fuel to generate 1.65 lakh MW power as against 2.37 lakh MT of bagasse / alternate fuel to generate 1.21 lakh MW power in the previous Season. The total power exported to the grid was 1.20 lakh MW amounting to Rs.66.83 crore as against 0.91 lakh MW amounting to Rs.51.44 crore in the previous Season.

## **Spirits Division**

The Spirits Division was put out of operations as the Company is required to install a multiple effect evaporation system to reduce the effluent volume as well as to do modifications in the Reverse Osmosis Plant & Bio-composting, which would enable the Distillery to become zero discharge compliant. As the Company does not have such capability, the Company has voluntarily taken a shut down for Distillery operations since October 2015.

## **SUBSEQUENT FINANCIAL YEAR 2018-19**

### **Sugar Division**

The crushing for the Season 2018-19 is expected to start in October 2018.

During the Financial Year 2018-19, there may be a steady increase in sugar prices due to the government intervention. This may result into the Company generating operational profit gradually. The industry outlook is also positive in the short term and long term with sugar prices expected to be stable.

### **Power Division**

The Cogen Power Plant is also planned to start in October 2018.

## **SHARE CAPITAL**

The Paid up Share Capital as on 31.3.2018 was Rs.10.08 crore. During the year under review, the Company has not issued any shares.

## **BOARD MEETINGS**

During the year 4 Board Meetings and 4 Audit Committee Meetings were held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **DIRECTORS & KEY MANAGERIAL PERSONNEL**

During the year under review, Shri P N Dubey resigned as Director of the Company with effect from 30.04.2018 due to personal reasons. The Board of Directors placed on record its sincere appreciation for the valuable support and guidance given by Shri P N Dubey to the Company during his tenure as Director of the Company.

Pursuant to Section 152 of the Companies Act, 2013, Shri D J Shah as Whole-Time Director would have retired by rotation at the 83rd AGM. But in view of his resignation as the Whole-Time Director, there is no other Director who will retire by rotation at the said AGM. Hence, Shri H R Kilachand, Chairman & Managing Director has been proposed to retire by rotation at the 83rd AGM and he being eligible, offers himself for reappointment. As per the SEBI (LODR) Regulations 2015, a brief profile of Shri H R Kilachand forms part of the Corporate Governance Report.

On 30.04.2018, pursuant to Section 161 of the Companies Act, 2013 as amended and Article 89 of the Articles of Association of the Company, Shri A S Ruia was appointed as an Additional Director in the category of Independent Director of the Company by the Board of Directors of the Company as recommended by the Nomination & Remuneration Committee and he will hold office till conclusion of the 83rd AGM. He is proposed to be appointed as an Independent Director for a second term of 5 years through a Special Resolution at the 83rd AGM.

Shri D J Shah was reappointed as Whole-Time Director designated as Director & Company Secretary from 27.01.2018 for a period of 3 years on a Remuneration as per Section 197 & 198 read with Schedule V of the Companies Act, 2013, at the Board Meeting held on 14.12.2017 as recommended by the Nomination & Remuneration Committee, subject to approval of

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the Shareholders at the ensuing AGM. After considering the unaudited results of the Company for the last 3 quarters, it was assessed that there would be no profit or inadequate profit for the year ended 31.03.2018. In that event, the Company would not be in a position to pay remuneration as per the provisions of the Companies Act, 2013 as amended, for the new term of appointment of Shri D J Shah with effect from 27.01.2018. Hence, Shri D J Shah tendered his resignation only as the Whole-Time Director w.e.f. 30.04.2018 and he is continuing as Company Secretary with his earlier designation "Sr. Vice President [Legal] & Company Secretary" as one of the three Key Managerial Personnel as per section 203 of the Companies Act, 2013.

All the Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (LODR) Regulations 2015.

Pursuant to the provisions of Regulation 25 of the SEBI (LODR) Regulations 2015, the Company has formulated a programme for familiarising the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc through various initiatives. The details of the aforementioned programme are available at the Company's [website www.kesarindia.com/ Investor's Corner/ Corporate Governance/ Policies](http://www.kesarindia.com/Investor's%20Corner/Corporate%20Governance/Policies).

## **BOARD EVALUATION / APPOINTMENT AND REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT**

Pursuant to the provisions of the Companies Act, 2013, the Board carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee and Nomination & Remuneration Committee.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report. The details of the Nomination & Remuneration Policy are available on the website of the Company [www.kesarindia.com/ Investor's Corner/ Corporate Governance/ Policies](http://www.kesarindia.com/Investor's%20Corner/Corporate%20Governance/Policies).

## **MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR & DATE OF THIS REPORT:**

There is no material change & commitment affecting financial position.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors to the best of their knowledge hereby state that :

- i) in preparation of the annual accounts for the financial year ended on 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the Directors had 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 loss for that period;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the Annual Accounts for the financial year ended on 31st March, 2018 on a going concern basis.
- v) the Directors had laid down proper internal financial controls in place and that such internal financial controls are adequate and were operating effectively.
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **RELATED PARTY TRANSACTIONS**

There are no contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 and hence Form AOC-2 is not annexed. The Members may refer Note 33 to the Notes to Accounts for further details of routine transactions entered into with the Related Parties.

A policy of Related Party Transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Company [www.kesarindia.com / Investor's Corner/ Policies](http://www.kesarindia.com/Investor's%20Corner/Policies).

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

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Accounts. Some of the credit facilities have been classified as Non-Performing Assets (NPA) by Banks.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

The Management Discussion & Analysis Report is annexed and forms part of this Annual Report. The Company has complied with the Corporate Governance requirements as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015. A separate section on Corporate Governance, along with a Certificate from the Secretarial Auditors confirming the compliance, is also annexed and forms part of the Annual Report.

### INSIDER TRADING

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

### SEXUAL HARASSMENT POLICY

The Company has constituted an Internal Complaint Committee (ICC) for prevention and redressal of complaints / grievances on the sexual harassment of women at work places. During the year under review no incident had taken place.

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

Particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 are given in the **Annexure "A"** forming part of this Report. During the year under review, there were no foreign Exchange Earnings and Outgo.

### INSURANCE

The Company has taken adequate insurance for all its properties.

### FIXED DEPOSITS

As per the Companies Act, 2013, the Company is not eligible to raise Fixed Deposits in terms of Section 73 of the Act, the Company has not accepted / renewed any Fixed Deposits.

### AUDITORS

As per Section 139 of the Companies Act 2013 as amended, ratification of appointment of Haribhakti & Co. LLP, Chartered Accountants is not required to be placed at the AGM. Their appointment is valid upto the conclusion of the 85th AGM.

### AUDITORS' REPORT

There is no qualification in the Auditors' Report.

### INTERNAL CONTROL SYSTEM & INTERNAL AUDITORS

The Company has an adequate Internal Control System. All transactions are properly authorized, recorded and reported to the Management. The Company has Independent Auditors M/s. Ashok Jayesh & Co., Chartered Accountants to review critical areas of operations. The Audit Reports are reviewed periodically by the Management and the Audit Committee of the Board and appropriate measures are taken to improve the process.

### COST AUDITOR

Pursuant to Sections 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, the Board had appointed Rishi Mohan Bansal, Cost Accountant as Cost Auditor of the Company to conduct Cost Audit for the products Sugar & Industrial Alcohol and Electricity Generation for the year ended 31.3.2018. The Cost Audit Report for the same will be submitted to the Central Government before 30.09.2018. Similarly, as recommended by the Audit Committee and approved by the Board of Directors of the Company, the appointment and payment of remuneration to Rishi Mohan Bansal, Cost Accountant, Kanpur, as Cost Auditor is placed before the Shareholders at the 83rd AGM for their ratification, to conduct the audit of the Cost records of the Company relating to Sugar & Industrial Alcohol and Generation of Power for the year ending 31st March, 2019.

### EXTRACT OF ANNUAL RETURN

The details of the Annual Return in form MGT 9 for the last year is annexed herewith as **Annexure "B"** and is also placed on the website of the Company [www.kesarindia.com](http://www.kesarindia.com) / **Investor's Corner/ Policies**.

### SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Ragini Chokshi & Co., Practicing Company Secretary, as Secretarial Auditor of the Company to undertake the Secretarial Audit and provide Secretarial Audit Report in Form MR3.

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The Report of the Secretarial Audit Report is annexed herewith as **Annexure- "C"**. There are no qualifications, reservations or remarks in the Secretarial Audit Report.

## **CORPORATE SOCIAL RESPONSIBILITY**

As required under Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. However, the Company is not required to spend any amount during the subsequent financial year as per the applicable provisions of the Act. The Company has continued to play its role as a responsible corporate citizen, adding value to society and addressing the contemporary societal needs and challenges. The Corporate Social Responsibility philosophy ensures that while business objectives are met and shareholder value is enhanced, the Company equally focuses on engaging with the wider community and sustainably addressing environmental concerns in its sphere of operations.

## **EMPLOYEES**

Relation with the employees remained cordial throughout the year. Your Directors place on record their sincere appreciation for the devoted services of the employees of the Company. The information required pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees on the payroll of the Company in India, is provided as **Annexure-"D"** which forms part of this report.

The information required pursuant to Section 197 read with Rule 5(2)&(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

## **ACKNOWLEDGEMENT**

Your Directors would like to place on record their grateful appreciation for the assistance and cooperation extended by the Banks, Financial Institutions and the wholehearted support extended by the Shareholders during the year under review.

13th June, 2018

**By Order of the Board of Directors**  
**H R KILACHAND**  
**Chairman & Managing Director**  
**DIN: 00294835**

**Pursuant to Section 134(3)(m) of the Companies Act, 2013 Forming part of the Directors' Report**

**Form for disclosure of particulars with respect to Conservation of Energy**

1. We have replaced steam driven drives with electric drives with the latest technology with VFDs along with automation through Distributed Control System (DCS). The electric drives consume much less energy to drive the mills and thereby results in additional saving of bagasse ultimately benefiting by an increase in power sales.
2. After reviewing the benefits of Mono Magnetic System installed in the previous year, we have added few more such systems in our process.

A. POWER AND FUEL CONSUMPTION			2017-18	2016-17
<b>1. ELECTRICITY</b>				
a	Purchased			
	Unit	Kwh	3,61,204	3,48,608
	Total Amount	Rs.	46,29,523	38,19,522
	Rate/Unit	Rs.	12.82	10.96
b	<b>Own Generation</b>			
i)	Through Diesel Generator			
	Unit	Kwh	36,520	14,113
	Units Per Ltr. Of Diesel Oil	Kwh	2.74	2.49
	Rate / Unit	Rs.	22.25	22.12
ii)	Through Steam Turbine			
	Unit	Kwh	13,00,89,227	11,26,33,950
	Units Per M. T. of Steam	Kwh	186.64	194.25
	Rate / Unit *	Rs.	822.00	858.00
<b>2. Coal</b>				
	Quantity	M.T.	-	
	Cost	Rs.	-	
	Average Rate	Rs.	-	
<b>3. Bagasse (Own)</b>				
	Quantity	M.T.	2,27,918	1,69,979
	Cost	Rs.	-	
	Average Rate	Rs. (M.T.)	-	
<b>4. Other Fuel (Outside)</b>				
	Quantity	M.T.	49,521	55,264
	Cost	Rs.	3,42,00,569	6,78,25,908
	Average Rate#	Rs.	690	1,227
<b>5. Rice Husk</b>				
	Quantity	M.T.		
	Cost-	Rs.		
	Average Rate-	Rs.		
<b>6. Cane Trash</b>				
	Quantity-	M.T.		
	Cost-	Rs.		
	Average Rate-	Rs.		
<b>7. H. S. DIESEL</b>				
	Quantity	Ltr.	13,334	5,672
	Cost	Rs.	8,12,716	3,12,202
	Average Rate	Rs.	60.95	55.04

\* Not applicable as the bagasse is a by-product and is used as fuel.



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## Consumption per unit of production

<b>Product (Sugar)</b>			
Electricity	Kwh / M.T.	237.17	286.19
Bagasse / Risk Husk / Cane Trash	M.T. / M.T.	-	-
Diesel Oil	Ltr. / M.T.	-	-
<b>Product (Industrial Alcohol)</b>			
Electricity	Kwh /000' Ltrs	-	-
Coal	Qtls./000' Ltrs	-	-
Bagasse (Pith)	M.T./000' Ltrs	-	-
Rice Husk	Ltr./000' Ltrs	-	-
Diesel Oil	Ltr. / 000'Ltrs	-	-

### FORM B

## FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY, RESEARCH AND DEVELOPMENT

### A. RESEARCH AND DEVELOPMENT

The Company has not spent any amount on Research & Development.

### B. BENEFITS DERIEVED

Expenditure on R & D		2017-18	2016-17
a)	Capital	-	-
b)	Recurring	-	-

The information on Foreign Exchange Earnings and Outgo is furnished in the Notes to the Account. (Please refer to Note No.41 of Notes forming part of financial statements.

# KESAR ENTERPRISES LIMITED

## EXTRACT OF ANNUAL RETURN

Annexure "B"

As on financial year ended 31-03-2018

[Pursuant to Section 92(3) of the Companies act, 2013 read with

[The Companies (Management and Administration) Rules, 2014]

### FORM NO. MGT-9

<b>A.REGISTRATION AND OTHER DETAILS:</b>	
CIN:-	L24116MH1933PLC001996
Registration Date:	1.8.1933
Name of the Company:	<b>Kesar Enterprises Limited</b>
Category / Sub-Category of the Company	Public Company Limited by Shares
Address of the Registered office and contact details:	Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai 400 020 Tel. No.022-22042396
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Sharex Dynamic (India) Pvt. Ltd. Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai 400 072 Tel. 022-28515606 / 28515644

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

Sr.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Manufacture of Sugar and its byproducts; manufacture of alcohol and alcoholic beverages by distillation including ethanol and generation of renewable power;	Not Available	100%

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

Sr.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held
a	Not Applicable			

### D. SHARE HOLDING PATTERN

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2017				No. of Shares held at the end of the year 31-03-2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

#### A. PROMOTER'S

##### (1). INDIAN

(a). Individual	1165748	84561	1250309	12.404	1149714	22871	1172585	11.633	-0.771
(b). Central Govt.		0				0			0
(c). State Govt(s).		0				0			0
(d). Bodies Corpp.	5806037	0	5806037	57.601	5806037	0	5806037	57.601	0
(e). FIINS / BANKS.		0				0			0
(f). Any Other		0				0			0
<b>Sub-total (A) (1):-</b>	<b>6971785</b>	<b>84561</b>	<b>7056346</b>	<b>70.005</b>	<b>6955751</b>	<b>22871</b>	<b>6978622</b>	<b>69.234</b>	<b>-0.771</b>

# Annual Report 2017-2018

<b>(2). FOREIGN</b>									
(a). Individual NRI / Foreign		0				0			0
(b). Other Individual		0				0			0
(c). Bodies Corporates		0				0			0
(d). Banks / FII		0				0			0
(e). Qualified Foreign Investor		0				0			0
(f). Any Other Specify		0				0			0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>6971785</b>	<b>84561</b>	<b>7056346</b>	<b>70.005</b>	<b>6955751</b>	<b>22871</b>	<b>6978622</b>	<b>69.234</b>	<b>-0.771</b>

<b>(B) (1). PUBLIC SHAREHOLDING</b>									
(a). Mutual Funds	0	1200	1200	0.012	0	1200	1200	0.012	0.000
(b). Banks / FI	395	695	1090	0.011	395	695	1090	0.011	0.000
(c). Central Govt.		0				0			0.000
(d). State Govt.		0				0			0.000
(e). Venture Capital Funds		0				0			0.000
(f). Insurance Companies	513604	0	513604	5.095	513604	0	513604	5.095	0.000
(g). FIIs		0				0			0.000
(h). Foreign Venture Capital Funds		0				0			0.000
(i). Others (specify)		0				0			0.000
Sub-total (B)(1):-	<b>513999</b>	<b>1895</b>	<b>515894</b>	<b>5.118</b>	<b>513999</b>	<b>1895</b>	<b>515894</b>	<b>5.118</b>	<b>0</b>

## 2. Non-Institutions

### (a). BODIES CORP.

(i). Indian	562145	1690	563835	5.594	642022	1690	643712	6.386	0.792
(ii). Overseas		0				0			0.000

### (b). Individuals

(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1006780	246446	1253226	12.434	1113733	239585	1353318	13.428	0.993
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	396204	52620	448824	4.453	471469	52620	524089	5.199	0.746
(c). Other (specify)									
Non Resident Indians	53035	200	53235	0.528	13855	200	14055	0.139	-0.389
Overseas Corporate Bodies		0				0			0
Foreign Nationals		0				0			0
Clearing Members	188322	0	188322	1.868	49992	0	49992	0.496	-1.372
Trusts		0				0			0
Foreign Boodies - D R		0				0			0
Sub-total (B)(2):-	<b>2206486</b>	<b>300956</b>	<b>2507442</b>	<b>24.877</b>	<b>2291071</b>	<b>294095</b>	<b>2585166</b>	<b>25.648</b>	<b>0.77</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2720485</b>	<b>302851</b>	<b>3023336</b>	<b>29.995</b>	<b>2805070</b>	<b>295990</b>	<b>3101060</b>	<b>30.766</b>	<b>0.77</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		<b>0</b>				<b>0</b>			<b>0.000</b>
<b>Grand Total (A+B+C)</b>	<b>9692270</b>	<b>387412</b>	<b>10079682</b>	<b>100.00</b>	<b>9760821</b>	<b>318861</b>	<b>10079682</b>	<b>100.00</b>	<b>-0.001</b>

# KESAR ENTERPRISES LIMITED

## Shareholding of promoters

Sr.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% changes in share holding during the year
		No. of Shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total shares	
1	SEEL INVESTMENT PVT LTD	3225699	32.002	0	3225699	32.002	0	0
2	KESAR CORPORATION PVT LTD	2337922	23.194	0	2337922	23.194	0	0
3	HARSH RAJNIKANT KILACHAND	553412	5.49	0	553412	5.49	0	0
4	INDIAN COMMERCIAL COMPANY PVT LTD	232264	2.304	0	232264	2.304	0	0
5	MADHAVI HARSH KILACHAND	208372	2.067	0	208372	2.067	0	0
6	ROHAN HARSH KILACHAND	189082	1.876	0	111358	1.105	0	-0.771
7	ROHITA HARSH KILACHAND	187824	1.863	0	187824	1.863	0	0
8	RAJNIKANT A KILACHAND	72538	0.72	0	0	0	0	-0.72
9	HARSH RAJNIKANT KILACHAND EXECUTOR OF THE ESTATE OF LATE SHRI RAJNIKANT A KILACHAND	0	0	0	61690	0.612	0	0.612
10	HARSH RAJNIKANT KILACHAND (HUF)	27425	0.272	0	27425	0.272	0	0
11	HARSH R KILACHAND	2940	0.029	0	0	0	0	-0.029
12	RAJNIKANT A KILACHAND, (HUF)	0	0	0	13788	0.137	0	0.137
13	INDIA CARAT PVT LTD	10152	0.101	0	10152	0.101	0	0
14	SHREEMATI AMBALAL KILACHAND	8676	0.086	0	8676	0.086	0	0
15	AMRISH RAJNIKANT KILACHAND	30	0	0	30	0	0	0
16	RAMILA RAJNIKANT KILACHAND	10	0	0	10	0	0	0

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

Sr. No	Shareholder's Name	Shareholding at the Beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			
		No. of Shares at the beginning / end of the Year	% of the Shares of the Company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the Company
1	ROHAN HARSH KILACHAND	189082	1.876	01-04-2017				
				02-06-2017	-74000	Sold	115082	1.142
				16-06-2017	-3724	Sold	111358	1.105
				31-03-2018			111358	1.105
2	HARSH RAJNIKANT KILACHAND EXECUTORS OF THE ESTATE OF LATE SHRI RAJNIKANT A KILACHAND			01-04-2017				
				12-01-2018	450	Transfer	450	0.004
				23-02-2018	61240	Transfer	61690	0.612
				31-03-2018		DEMAT	61690	0.612
3	HARSH R KILACHAND	2940	0.029	01-04-2017				
				23-02-2018	10848	Transfer	13788	0.137
				31-03-2018			13788	0.137
4	RAJNIKANT A KILACHAND	72538	0.72	01-04-2017				
				12-01-2018	-450	Transfer	72088	0.715
				23-02-2018	-72088	Transfer	0	0
				31-03-2018			0	0

# Annual Report 2017-2018

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

Sr. No	Name	No. of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the company
1	Raviraj Developers Ltd	211517	2.098	01-04-2017				
				21-04-2017	14318	Buy	225835	2.24
				28-04-2017	1572	Buy	227407	2.256
				19-05-2017	2500	Buy	229907	2.281
				16-06-2017	3110	Buy	233017	2.312
				30-06-2017	80889	Buy	313906	3.114
				07-07-2017	16540	Buy	330446	3.278
				11-08-2017	2009	Buy	332455	3.298
				18-08-2017	10158	Buy	342613	3.399
				15-09-2017	1624	Buy	344237	3.415
				13-10-2017	-1687	Sold	342550	3.398
				17-11-2017	6327	Buy	348877	3.461
				12-01-2018	8530	Buy	357407	3.546
				09-02-2018	-2125	Sold	355282	3.525
				16-02-2018	-3230	Sold	352052	3.493
23-02-2018	1647	Buy	353699	3.509				
09-03-2018	300	Buy	353999	3.512				
	<b>-Closing Balance</b>			31-03-2018			353999	3.512
2	RAJU BHANDARI	260243	2.582	01-04-2017				
				07-04-2017	3161	Buy	263404	2.613
				14-04-2017	2440	Buy	265844	2.637
				21-04-2017	1111	Buy	266955	2.648
				28-04-2017	2590	Buy	269545	2.674
				05-05-2017	614	Buy	270159	2.68
				12-05-2017	-152	Sold	270007	2.679
				19-05-2017	500	Buy	270507	2.684
				26-05-2017	-4515	Sold	265992	2.639
				02-06-2017	-15900	Sold	250092	2.481
				09-06-2017	300	Buy	250392	2.484
				16-06-2017	1400	Buy	251792	2.498
				23-06-2017	-300	Sold	251492	2.495
				30-06-2017	-255	Sold	251237	2.493
				21-07-2017	-615	Sold	250622	2.486
				28-07-2017	-927	Sold	249695	2.477
				04-08-2017	-400	Sold	249295	2.473
				18-08-2017	1000	Buy	250295	2.483
				25-08-2017	324	Buy	250619	2.486
				08-09-2017	-1788	Sold	248831	2.469
				15-09-2017	2832	Buy	251663	2.497
				22-09-2017	2328	Buy	253991	2.52
				30-09-2017	210	Buy	254201	2.522
				06-10-2017	120	Buy	254321	2.523
				13-10-2017	467	Buy	254788	2.528
				20-10-2017	2419	Buy	257207	2.552
				27-10-2017	-2032	Sold	255175	2.532
10-11-2017	-1760	Sold	253415	2.514				
24-11-2017	21720	Buy	275135	2.73				
01-12-2017	3945	Buy	279080	2.769				
08-12-2017	2937	Buy	282017	2.798				
15-12-2017	-29566	Sold	252451	2.505				

# KESAR ENTERPRISES LIMITED

Sr. No	Name	No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.Of shares	% of total Shares of the company
				22-12-2017	997	Buy	253448	2.514
				29-12-2017	3846	Buy	257294	2.553
				05-01-2018	4725	Buy	262019	2.599
				12-01-2018	5285	Buy	267304	2.652
				19-01-2018	5078	Buy	272382	2.702
				26-01-2018	9514	Buy	281896	2.797
				02-02-2018	577	Buy	282473	2.802
				09-02-2018	13351	Buy	295824	2.935
				16-02-2018	140	Buy	295964	2.936
				23-02-2018	5052	Buy	301016	2.986
				02-03-2018	4216	Buy	305232	3.028
				09-03-2018	898	Buy	306130	3.037
	<b>-Closing Balance</b>			31-03-2018	1578	Buy	307708	3.053
3	<b>THE ORIENTAL INSURANCE COMPANY LIMITED</b>	305172	3.028	01-04-2017				
	<b>-Closing Balance</b>			31-03-2018		No Change	305172	3.028
4	<b>NATIONAL INSURANCE COMPANY LTD</b>	208432	2.068	01-04-2017				
	<b>-Closing Balance</b>			31-03-2018		No Change	208432	2.068
5	<b>MENTOR CAPITAL LIMITED</b>	139298	1.382	01-04-2017				
				21-04-2017	-5000	Sold	134298	1.332
				02-06-2017	-10000	Sold	124298	1.233
	<b>-Closing Balance</b>			31-03-2018			124298	1.233
6	<b>MUKESH BABU</b>	40000	0.397	01-04-2017				
	<b>-Closing Balance</b>			31-03-2018		No Change	40000	0.397
7	<b>NEW MILLENIUM TECHNOLOGY MANAGEMENT PRIVATE LIMITED . .</b>	43314	0.43	01-04-2017				
				15-09-2017	-6000	Sold	37314	0.37
				15-12-2017	-59	Sold	37255	0.37
				22-12-2017	-8000	Sold	29255	0.29
	<b>-Closing Balance</b>			31-03-2018			29255	0.29
8	<b>KARVY STOCK BROKING LTD-F-O MARGIN</b>	4082	0.04	01-04-2017				
				14-04-2017	50	Buy	4132	0.041
				21-04-2017	349	Buy	4481	0.044
				28-04-2017	-850	Sold	3631	0.036
				05-05-2017	-550	Sold	3081	0.031
				12-05-2017	-50	Sold	3031	0.03
				26-05-2017	-520	Sold	2511	0.025
				02-06-2017	1825	Buy	4336	0.043
				09-06-2017	255	Buy	4591	0.046
				16-06-2017	1713	Buy	6304	0.063
				23-06-2017	-295	Sold	6009	0.06
				30-06-2017	-1152	Sold	4857	0.048
				07-07-2017	-500	Sold	4357	0.043
				14-07-2017	-619	Sold	3738	0.037
				21-07-2017	-287	Sold	3451	0.034
				28-07-2017	-271	Sold	3180	0.032
				04-08-2017	551	Buy	3731	0.037
				11-08-2017	3973	Buy	7704	0.076
				18-08-2017	1225	Buy	8929	0.089

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Sr. No	Name	No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.Of shares	% of total Shares of the company
				25-08-2017	-37	Sold	8892	0.088
				01-09-2017	-941	Sold	7951	0.079
				08-09-2017	285	Buy	8236	0.082
				15-09-2017	2913	Buy	11149	0.111
				22-09-2017	3209	Buy	14358	0.142
				30-09-2017	92	Buy	14450	0.143
				06-10-2017	-110	Sold	14340	0.142
				13-10-2017	596	Buy	14936	0.148
				20-10-2017	-100	Sold	14836	0.147
				27-10-2017	-50	Sold	14786	0.147
				03-11-2017	788	Buy	15574	0.155
				10-11-2017	100	Buy	15674	0.156
				17-11-2017	-125	Sold	15549	0.154
				24-11-2017	50	Buy	15599	0.155
				01-12-2017	722	Buy	16321	0.162
				08-12-2017	77	Buy	16398	0.163
				15-12-2017	6462	Buy	22860	0.227
				22-12-2017	-156	Sold	22704	0.225
				29-12-2017	93	Buy	22797	0.226
				05-01-2018	-300	Sold	22497	0.223
				12-01-2018	-900	Sold	21597	0.214
				19-01-2018	-1079	Sold	20518	0.204
				26-01-2018	101	Buy	20619	0.205
				02-02-2018	-220	Sold	20399	0.202
				09-02-2018	100	Buy	20499	0.203
				16-02-2018	-196	Sold	20303	0.201
				23-02-2018	99	Buy	20402	0.202
				02-03-2018	165	Buy	20567	0.204
				09-03-2018	10	Buy	20577	0.204
				16-03-2018	900	Buy	21477	0.213
				23-03-2018	798	Buy	22275	0.221
				31-03-2018	6140	Buy	28415	0.282
	<b>-Closing Balance</b>			31-03-2018	6140	Buy	28415	0.282
<b>9</b>	<b>SHEETAL GUPTA</b>	0	0	01-04-2017				
				23-06-2017	771	Buy	771	0.008
				30-06-2017	3600	Buy	4371	0.043
				28-07-2017	680	Buy	5051	0.05
				04-08-2017	1000	Buy	6051	0.06
				11-08-2017	1500	Buy	7551	0.075
				18-08-2017	300	Buy	7851	0.078
				08-09-2017	299	Buy	8150	0.081
				20-10-2017	41	Buy	8191	0.081
				01-12-2017	490	Buy	8681	0.086
				08-12-2017	486	Buy	9167	0.091
				22-12-2017	6099	Buy	15266	0.151
				19-01-2018	4530	Buy	19796	0.196
				31-03-2018	-1771	Sold	18025	0.179
	<b>-Closing Balance</b>			31-03-2018	-1771	Sold	18025	0.179
<b>10</b>	<b>SONIA</b>	0	0	01-04-2017				
				23-06-2017	4100	Buy	4100	0.041
				30-06-2017	2623	Buy	6723	0.067
				28-07-2017	2494	Buy	9217	0.091
				04-08-2017	1551	Buy	10768	0.107

Sr. No	Name	No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.Of shares	% of total Shares of the company
				11-08-2017	817	Buy	11585	0.115
				01-09-2017	1238	Buy	12823	0.127
				22-09-2017	1028	Buy	13851	0.137
				30-09-2017	5142	Buy	18993	0.188
				17-11-2017	2	Buy	18995	0.188
				08-12-2017	100	Buy	19095	0.189
				15-12-2017	-3069	Sold	16026	0.159
	<b>-Closing Balance</b>			31-03-2018			16026	0.159

### Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			
		No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.Of shares	% of total Shares of the company
1	P N Dubey	250	0.002	01-04-2017				
	<b>-Closing Balance</b>			31-03-2018		No Change	250	0.002
2	SHAH DEVENDRA JITENDRA	500	0.005	01-04-2017				
	<b>-Closing Balance</b>			31-03-2018		No Change	500	0.005

### INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	27889.27	2,930.50	0.00	30,819.77
ii) Interest Due but not paid	2619.49	0.00	0.00	2,619.49
iii) Interest accrued but not due	182.04	0.00	0.00	182.04
<b>Total (i+ii+iii)</b>	<b>30690.8</b>	<b>2,930.50</b>	<b>0.00</b>	<b>33,621.30</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	2882.41	0.00	0.00	2,882.41
Reduction	0	-100.00	0.00	-100.00
<b>Net Change</b>	<b>2882.41</b>	<b>-100.00</b>	<b>0.00</b>	<b>2,782.41</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	27289.4	2,830.50	0.00	30,119.90
ii) Interest Due but not paid	6122.42	0.00	0.00	6,122.42
iii) Interest accrued but not due	161.39	0.00	0.00	161.39
<b>Total (i+ii+iii)</b>	<b>33573.21</b>	<b>2,830.50</b>	<b>0.00</b>	<b>36,403.71</b>



# Annual Report 2017-2018

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:		
Sr.	Particulars of Remuneration	Name of MD/WTD/ Manager - Mr. D J Shah
1	Gross salary	30.90
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission	
	- as % of profit	
	- others, specify...	
5	Others, please specify - Exempted Reimbursement / Perquisites	5.03
	<b>Total (A)</b>	<b>35.93</b>
	Ceiling as per the Act	Within Ceiling Limit

B. Remuneration to other Directors:				
	Particulars of Remuneration	Name of Directors		Total Amount
	1. Independent Directors	<b>M A Kuvadiah</b>	<b>P N Dubey</b>	
	• Fee for attending board / committee meetings	2.20	2.20	4.40
	• Commission	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00
	Total (1)			
	2. Other Non-Executive Directors			
	• Fee for attending board / committee meetings	0.00	0.00	0.00
	• Commission	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00
	<b>Total (2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total (B)=(1+2)</b>	<b>2.20</b>	<b>2.20</b>	<b>4.40</b>
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

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

Sr	Particulars of Remuneration	Key Managerial Personnel		
		CFO - Rohit Balu	Company Secretary - D J Shah	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	30.41	30.90	61.31
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
	Others, please specify - Exempted Reimbursement / Perquisites	3.37	5.03	8.40
	Total	33.78	35.93	69.71

### PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Form No. MR-3

## SECRETARIAL AUDIT REPORT

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

FOR THE PERIOD 01-04-2017 TO 31-03-2018

To,  
The Members,  
**KESAR ENTERPRISES LIMITED,**  
Oriental House, 7, Jamshedji Tata Road,  
Churhgate,  
Mumbai- 400020.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KESAR ENTERPRISES LIMITED** (CIN: L24116MH1933PLC001996) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year 1st April, 2017 to 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year 1st April, 2017 to 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder and amendments thereto;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of External Commercial Borrowings, Foreign Direct Investment, Overseas Direct Investment - **Not Applicable to the Company during the audit period;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not applicable to the Company during the audit period.**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable to the Company during the audit period.**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued any debt securities during the period under review.**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client. - **Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review.**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted its equity shares from any stock exchange during the period under review.**
  - h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009 - **Not applicable as the Company has not bought back any of its securities during the period under review.**

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

1. The Levy Sugar Price Equalisation Fund Act and Rules there under;
2. The Essential Commodities Act, 1955
3. The Sugar Cess Act 1982
4. The Electricity Act, 2003
5. The Electricity Supply Act, 1948
6. The Indian Power Alcohol Act, 1948

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except some of the credit facilities have been classified as Non-Performing Assets (NPA) by the Banks.

## **We further report that**

The Board of Directors of the Company is constituted with two Independent Directors, two Executive Directors including Managing Director except one Woman Director.

Adequate notice is given to all Directors to schedule the Board Meetings, and the same were sent at least seven days in advance, agenda and detailed notes on agenda were sent at least seven days before the date of Meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guidelines.

**For Ragini Chokshi & Co.**

**Makarand Patwardhan**

(Partner)

C.P.No: 9031

FCS No:11872

Mumbai  
13.6.2018

**Annexure –A**

To,  
The Members,  
**KESAR ENTERPRISES LIMITED,**  
Oriental House, 7, Janshedji Tata Road,  
Churhgate, Mumbai- 400020.

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

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

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

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

**For Ragini Chokshi & Co.**

**Makarand Patwardhan**

(Partner)

C.P.No: 9031

FCS No: 11872

Mumbai  
13.6.2018

# Annual Report 2017-2018

## Annexure “ D”

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

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2017-18:

<b>Executive Director</b>	
* Shri H R Kilachand	NIL
**Shri D J Shah	15.80:1
<b>Non Executive Director</b>	
Shri P N Dubey	0.97:1
Shri M A Kuvadiah	0.97:1

2. The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year 2017-18:

<b>Executive Director</b>	
* Shri H R Kilachand	NIL
**Shri D J Shah	-16.80%
<b>Non Executive Director</b>	
Shri P N Dubey	-8.33%
Shri M A Kuvadiah	22.22%
<b>Key Managerial Personnel</b>	
Shri Rohit Balu, Chief Financial Officer	6.62%
Shri D J Shah, Company Secretary	-16.80%

\* Shri H R Kilachand had stopped drawing remuneration from the Company voluntarily, since March 2014 in view of the heavy losses suffered by the Company for the last few years.

\*\*Shri D J Shah did not draw his remuneration for the period 27.01.2018 to 31.03.2018 and he ceased to be a Whole Time Director w.e.f. 30.4.2018

3. The percentage increase in the median remuneration of employees in the financial year was 6.43%.
4. The Company has 485 permanent employees on the rolls of the Company as on March 31, 2018.
5. Average percentile increase in salaries of Employees, other than Managerial Personnel, during the year under review was (2.41%), whereas average percentile increase in salaries of Managerial Personnel during the year under review was (5.36%).
6. It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Explanation.-

- (i) the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;
- (ii) if there is an even number of observations, the median shall be the average of the two middle values.

**For and on behalf of the Board of Directors  
of Kesar Enterprises Limited**

**H R KILACHAND  
Chairman & Managing Director  
DIN: 00294835**

**Date: 13.06.2018**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Scenario in India

#### Sugar

India is the second largest producer of sugar in the world. The sugar industry is the largest agro-processing sector in India. It is dominated by the co-operative sector in terms of number of units. However, with private players going in for major expansions, the gap between the private and co-operative sector is expected to narrow down in the future in terms of installed capacity as well as production. The industry is highly regulated by the Central and State Governments by way of cane growing area, sugarcane pricing, import-export policy, government policy etc. Sugar cane is cultivated in around 5 million hectares in India. The major sugarcane producers are Uttar Pradesh, Maharashtra, Tamilnadu and Karnataka. Sugar cane is the only source of sugar production in India unlike many other countries, which produce sugar from sugar beat.

### Company Structure & Development

#### Sugar

The sugar factory is located at Baheri, Dist. Bareilly, Uttar Pradesh, and is a large producer of sugar in the country. The plant started with an initial crushing capacity of 800 tons of cane crushed per day (tcd), which had been gradually increased to 7,200 tcd over time. The Company has one of the most modern and efficient sugar factories in the country. Through constant investment in Cane Research & Development, the Company has successfully developed high yielding and early maturing varieties of sugarcane.

#### Power

The Company has commissioned a 44mw Bagasse based Cogeneration Power Plant at Baheri. It is one of the most efficient and largest capacity single plant in the sugar Cogeneration Sector in the country, a world class plant having a state-of-the-art Process Control system with performance monitoring software. The Company exported majority of power produced to the grid and will benefit from the well established government policies related to renewable energy and also perhaps get benefit of renewable energy certificate.

#### Spirits

The Spirits Division was put out of operations as the Company needs to install multiple effect evaporation system to reduce the effluent volume as well as modification in Reverse Osmosis Plant & Bio-composting, which would enable the Distillery to become zero discharge compliant. As the Company does not have such capability, the Company has voluntarily taken a shut down for Distillery operations since October 2015. Hence, the Molasses was sold directly in the market.

### Opportunities & Threats

#### Sugar

The Company expects a similar crushing period this season as that of the previous season. Untimely change in government policy and upward pricing in terms of Fair Remunerative Price (FRP) and State Advised Price (SAP) can prove a threat to the Company.

#### Power

The Company has set up a state of the art cogeneration plant operating at very high pressure of 115 kg/cm<sup>2</sup>. Therefore, it is very efficient when compared to majority of the cogeneration plants having power cycle at pressures of 45, 67 and 87 kg/cm<sup>2</sup>. This will therefore translate into producing more power from same bagasse. Besides, as our boiling house is also very efficient, there will be more savings of bagasse per ton of sugar produced and this saved bagasse will also enable us to produce more power.

### Outlook

#### Sugar

The sugar industry will be a major player in producing cost effective energy and fuel from its by-products bagasse and molasses. Bagasse can be processed for co-generation of power. Also, ethanol produced from molasses can be used as motor fuel by blending it with petrol.

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During the Financial Year 2017-18, there has been a decrease in sugar prices from the levels prevailing. This has resulted in the Company generating operational loss for the quarter ended March 31, 2018. During the Financial Year 2018-19, there may be steady sugar prices. This may result into the Company generating operational profits. The industry outlook is also positive.

## **Power**

The season ahead should see the proper utilization of the cogeneration plant capacity and therefore the exportable power will give rise to more revenues. Also due to the rate hike, the income / profits will rise over the previous season.

## **Risks and Concerns**

Sugar Division being agro based is vulnerable to various risks enumerated below:

### **Raw Material Risk:**

Sugarcane is the principal raw material for manufacture of Sugar, Spirits and Power and its shortages could be on account of pest attacks, crop diseases, diversion of land by farmers. Shortage of the basic raw materials would severely impact the working of the divisions of the Company. To mitigate these risks, the Company has adopted sound agronomic practice and improvement in basic infrastructure facilities.

### **Price Risk:**

Sugar price is susceptible to fluctuations on account of international demand and supply, government pricing for cane as well as sugar, variance in production capacities of peers. Any change may affect the margins of the Company.

### **Regulatory Risk:**

The policies of the Central and State Governments in terms of Fair Remunerative Price (FRP) and State Advised Price (SAP) for sugarcane have an impact on the operations of the Company.

## **Internal Control System**

The Company has an appropriate internal control system for its various functions with the ultimate objective of improving efficiency in its operations, better financial management and compliance with regulations and applicable laws. The Company has appointed an Internal Auditor [External]. 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 before the Audit Committee for review and discussion.

## **Segment-wise Financial Performance**

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

## **Material developments in Human Resources / Industrial Relations Front**

The Company considers human capital as a critical asset and success factor for smooth organizational work flow. Efforts are made to improve skills, knowledge and performance of employees by timely training, job satisfaction and enrichment. The Company has added to its fold, experienced manpower in line with future areas of growth.

## **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.

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

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

As per the Corporate Governance Regulation 17 of SEBI (LODR) Regulations, relating to appointment of Women Director, the Company is in the process of appointing a Women Director on the Board of the Company.

#### The Composition and Category of Directors is as follows:

Name of Director	Category
Shri H R Kilachand (DIN:00294835)	: Chairman & Managing Director
Shri A S Ruia (DIN:00296622)	: Additional Director in the category of Independent Director [w.e.f. 30.04.2018]
Shri P N Dubey (DIN:02132564)	: Independent Director [upto 30.04.2018]
Shri D J Shah (DIN:03095028)	: Whole-Time Director [upto 30.04.2018]
Shri M A Kuvadia (DIN:07195042)	: Independent Director

Attendance of each Director at the Board Meetings held during 1.4.2017 to 31.3.2018, the last Annual General Meeting held on 25.07.2017 and the Number of other Directorships & Chairmanship/ Membership of Committees of each Director in various Companies & Shareholding of Non-Executive Directors are as under:

Name of the Director	No. of Shares Held by Non Executive Directors	Attendance Particulars						No. of other Directorships and Committee Member / Chairmanship in other Companies		
		Out of 4 Board Meetings	Out of 4 Audit Committee Meetings	2 Nomination & Remuneration Committee Meeting	1 Independent Directors Meeting	Sitting Fees paid (Rs.)	Last AGM	Other Directorship #	Committee Members \$	Chairmanships
Shri H R Kilachand	5,53,412	4	4	2	-	-	Yes	2	4	-
Shri P N Dubey Upto 30.04.2018	250	4	4	2	1	2,20,000/-	Yes	1	2	2
Shri M A Kuvadia	-	4	4	2	1	2,20,000/-	Yes	1	2	-
*Shri A S Ruia										
w.e.f. 30.04.2018	1000	-	-	-	-	-	-	-	-	-
Shri D J Shah Upto 30.04.2018	500	4	4	-	-	-	Yes	-	-	-

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

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

None of the Directors hold the office of Director in more than the permissible number of Companies under the Act or Regulation 25 & 26 of the SEBI (LODR) Regulations, 2015.



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## Retirement by Rotation of Director:

Pursuant to Section 152 of the Companies Act, 2013, as Whole-Time Director, Shri D J Shah would have retired by rotation at the 83rd AGM. As he has resigned as Whole-Time Director with effect from 30.04.2018, there is no other Director except Shri H R Kilachand who will retire by rotation at the said AGM, though he has been appointed as a Director not liable to retire by rotation by the Company. Thus, Shri H R Kilachand, Chairman & Managing Director will now retire by rotation at the 83rd AGM and he being eligible, offers himself for reappointment, though his term of appointment approved earlier provides for not liable to retire by rotation. As per the SEBI (LODR) Regulations 2015, a brief profile of Shri H R Kilachand is as under:

DIN	00294835
Birth Date	04.05.1960
Nationality	Indian
Qualification	B.Com. from University of Bombay; and C.B.M. & P.D.B.M. from U.S.A.
Experience	<p>He had joined Kesar Enterprises Ltd. (KEL) [Demerged Company] on 8.8.1985 as "Executive". He was entrusted with the duties of Administration &amp; Co-ordination work of KEL and also to plan &amp; supervise projects for modernisation and expansion of KEL's activities. He contributed a lot in his first decade towards the growth of KEL. He had efficiently carried out the duties entrusted to him, including completion of the expansion &amp; modernisation of Sugar Factory, Distillery, ENA &amp; IMFL Plants and also a Second Storage Terminal at Kandla.</p> <p>On 6.3.1997, he was appointed as a "Joint Managing Director" of KEL. Subsequently, after the death of his father, w.e.f. 14.8.1997 he has been working as a Chairman &amp; Managing Director of KEL.</p> <p>Since the demerger of Storage Division of KEL into the Company i.e. from 14.09.2010, he worked as the Executive Chairman of the Company for almost 2 terms of 3 years each i.e. till 29.04.2016. During that period, he contributed a lot in the growth of the Company. He could manage to get for the Company a Composite Logistic Hub Project at Madhya Pradesh through its Special Purpose Vehicle Company viz. Kesar Multimodal Logistics Ltd. (KMLL). He had to resign on 29.04.2016 due to his engagement in other business activities.</p>
Shareholding	5,53,412 (5.49%) Shares Equity Shares
Relationship with other Director	Nil
List of other Directorship	Kesar Terminals & Infrastructure Ltd. Kesar Multimodal Logistics Ltd. Kesar Corporation Private Ltd. Indian Commercial Co. Private Ltd. India Carat Private Ltd. Kilachand Devchand & Company Private Ltd. Kilachand Devchand Commercial Private Ltd.

## Relationship between the Directors inter-se: Nil

The details of Familiarization Programme imparted to Independent Directors is disclosed on the website of the Company viz. [Kesarindia.com](http://Kesarindia.com)

## Board Meetings held and the dates thereof:

During the year, 4 Board Meetings were held 19.05.2017; 08.09.2017; 14.12.2017 & 14.02.2018. The gap between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days.

## Board Committees

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

### 3. Audit Committee:

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

#### (a) Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to statutory Auditors for any other services rendered by them;
4. Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by the Management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft Audit Report, if any;
5. Reviewing, with the Management, the Quarterly Financial Statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal Auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders,

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shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer (CFO) (i.e. Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## (b) Composition

The Audit Committee comprises of the following Directors. The Committee is chaired by an Independent Director. The Audit Committee was reconstituted on 30.04.2018.

Shri A S Ruia	– Independent Director–Chairman of the Committee (w.e.f.30.04.2018)
Shri P N Dubey	– Independent Director–Chairman of the Committee (upto 30.04.2018)
Shri H R Kilachand	– Chairman & Managing Director - Member of the Committee
Shri M A Kuvadia	– Independent Director - Member of the Committee

## (c) Meetings & Attendance

During the year, 4 meetings of the Audit Committee were held on 19.05.2017; 08.09.2017; 14.12.2017 & 14.02.2018 with the time gap between 2 meetings of less than 120 days. The attendance of the Members is mentioned in table of para 2 above. As required, CFO, Internal Auditor & Statutory Auditors or their representatives used to remain present as Invitee in such Meetings. The Company Secretary acts as the Secretary of the Audit Committee.

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

Representatives of the Statutory Auditors M/s Haribhakti & Co., Chartered Accountants and Independent Internal Auditor M/s Ashok Jayesh & Associates, Chartered Accountants are invited for the meeting of the Audit Committee.

## 4. Nomination & Remuneration Committee:

The Committee comprises of the following Directors. The Committee is chaired by an Independent Director. A meeting of the Committee was held on 21.08.2017 & 14.12.2017. The Nomination and Remuneration Committee was reconstituted on 30.04.2018.

Shri A S Ruia	– Independent Director–Chairman of the Committee (w.e.f.30.04.2018)
Shri P N Dubey	– Independent Director–Chairman of the Committee (upto 30.04.2018)
Shri H R Kilachand	– Chairman & Managing Director - Member of the Committee
Shri M A Kuvadia	– Independent Director - Member of the Committee

As per Regulation 19(1)(a) of SEBI (LODR) Regulations, the Nomination & Remuneration Committee [NRC] is required to have 3 Non-Executive Directors out of which 50% should be Independent Directors. Presently, the Company has only two Non-Executive Independent Directors who are appointed on the NRC. Since, the Company is having a negative net worth and is registered with BIFR under SICA, the Company finds it difficult to get one more Non-Executive Director.

### The Key Objectives of the Committee is:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Director and the Board.

- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

The brief terms of reference of this Committee includes consideration, review and approval of remuneration of Executive Director / Chairman and sitting fees payable to Non-Executive Directors with regard to performance standards and existing industry practices.

### Remuneration Policy for Directors

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

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

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

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

### Remuneration of Executive/ Non-Executive Directors:

Shri H R Kilachand was drawing his remuneration only from Kesar Terminals & Infrastructure Ltd. (KTIL) earlier and had stopped drawing from the Company (KEL) voluntarily from March 2014, in view of the heavy losses suffered by the Company for the last few years.

The details of remuneration paid to the Non-Executive Directors for the financial year ended 31.3.2017:

Name	Sitting Fees (Rs.)
Shri P N Dubey	2,20,000
Shri M A Kuvadia	2,20,000

### 5. Share Transfer Committee

The authority to consider the Share Transfer related matters / issue of duplicate Share Certificates etc. was delegated to Shri H R Kilachand and Shri D J Shah who met on 10.04.2017; 25.04.2017; 19.05.2017; 08.06.2017; 01.09.2017; 04.10.2017; 7.11.2017; 11.12.2017, 9.01.2018, 19.02.2018 & 23.02.2018 to consider the related matters. There was no pending share transfers as on March 31, 2018.

### 6. Stakeholders Relationship Committee:

As required under of Regulation 20 of the SEBI (LODR) Regulations 2016, the Board has a duly constituted Stakeholders Relationship Committee [SRC]. The Chairman of the Committee is an Independent Director. The Committee was reconstituted on 30.04.2018 consisting of:

- Shri M A Kuvadia – Independent Director–Chairman of the Committee (w.e.f.30.04.2018)
- Shri P N Dubey – Independent Director–Chairman of the Committee (upto 30.04.2018)
- Shri A S Ruia – Independent Director - Member of the Committee
- Shri H R Kilachand – Chairman & Managing Director - Member of the Committee

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

- (i) Redressal of Shareholders' / Investors' complaints.
- (ii) Non-receipt of declared dividends, balance sheets of the Company; and
- (iii) Carrying out any other function as prescribed under in the SEBI Listing Regulations.

The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company.

During the year ended 31st March, 2018, the Company had received few complaints / grievances from its Shareholders, which were replied satisfactorily by the Company.

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

As the Company meets with one of the criteria of Section 135(1) of the Companies Act, 2013, it has constituted a CSR Committee.

The composition of the CSR Committee formed to achieve the CSR objectives is as below:

Sr.	Name of the Member	Composition
1.	Shri P N Dubey [Independent Director]	Chairman (upto 30.04.2018)
2.	Shri M A Kuvadia [Independent Director]	Member (upto 30.04.2018) Chairman (w.e.f. 30.04.2018)
3.	Shri A S Ruia [Independent Director]	Member (w.e.f. 30.04.2018)
4.	Shri H R Kilachand [Chairman & Managing Director]	Member

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

## 8. Risk Management Committee [RMC]:

As required under Regulation 21 of SEBI (LODR) Regulations 2016 the Board has a duly constituted Risk Management Committee consisting of:

- Shri M A Kuvadia – Independent Director–Chairman of the Committee (w.e.f.30.04.2018)  
 Shri Prakash Dubey – Independent Director–Chairman of the Committee (upto 30.04.2018)  
 Shri H R Kilachand – Chairman & Managing Director - Member of the Committee  
 Shri S M Sharma - President, Baheri,

## 9. General Body Meetings:

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

AGM	Financial Year ended	Date	Location	Time
AGM	31.03.2017	25.07.2017	M C Ghia Hall	3:30 p.m
AGM	31.03.2016 (15 Months)	11.08.2016	M C Ghia Hall	11:00 a.m
AGM	31.12.2014 (18 Months)	19.03.2015	M C Ghia Hall	3:30 p.m

ii. The following Special Resolutions were passed in the Annual General Meeting:

Date of AGM	Particulars of Special Resolution passed thereat
25.07.2017	Resolution under Section 20 of the Companies Act, 1956 relating to charging actual cost for sending documents to shareholders by speed post, courier or registered post.
11.08.2016	Resolution under Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 1956 relating to appointment and fixing remuneration of Shri H R Kilachand for a period of 3 years w.e.f 14.8.2016.
19.03.2015	Resolution under Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 1956 relating to appointment and fixing remuneration of Shri D J Shah for a period of 3 years w.e.f 27.1.2015. Resolution u/s.188 approving Related party transactions up to an amount not exceeding Rs.46 Cr from 1.4.2014 to 31.03.2016

- iii. No Resolutions was passed during the Financial Year 2017-2018 through Postal Ballot.
- iv. No Special Resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

### 13. Disclosures:

- i. All transactions entered into during the financial year 2017-18 with Related Parties as defined under the Companies Act and were in the ordinary course of business and on an arms length basis. There was no Material Related Party transaction, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements. 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.
- ii. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges or any Statutory Authority does not arise.
- iii. The Company has laid down procedures to inform Board members about risk assessment and minimization. These procedures are periodically reviewed to ensure control of risk through a properly defined framework.
- iv. **Whistle Blower Policy / Vigil Mechanism.**

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

The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. We confirm that during the financial year 2016-2017, no Employee of the Company was denied access to the Audit Committee.

The details of Whistle Blower Policy are available on the website of the Company, [www.kesarindia.com/Investor's Corner/Policies](http://www.kesarindia.com/Investor's%20Corner/Policies)

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud / misconduct on:  
**E-Mail: [headoffice@kesarindia.com](mailto:headoffice@kesarindia.com) Tel: 022-22042396**

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

### 14. Means of communication:

The Board takes on record the Unaudited Quarterly Financial Results and the Audited Financial Results in the prescribed format of the stock exchange and forthwith fax and upload / send copies of the results to the Bombay Stock Exchange and National Stock Exchange of India Ltd. respectively where the shares of the Company are listed.

The financial results of the Company are published in the "Free Press Journal" in English and "Nav Shakti" in Marathi newspapers within 48 hours of the conclusion of the meeting of the Board in which they are approved.

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

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

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## 15. General Shareholders information:

<b>a</b>	Registered Office	:	<b>Kesar Enterprises Ltd.</b> Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai-400020.
<b>b</b>	Plant Locations	:	Sugar Factory, Power Plant, Spirits & Bottling at Baheri, Dist. Bareilly, U. P.
<b>c</b>	Annual General Meeting Date Time Venue	:	14th August, 2018 11:00 am M C Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001
<b>d</b>	Financial Year		2017-18
<b>e</b>	Next Financial Year ending		31st March, 2019
<b>f</b>	Next Annual General Meeting	:	By 30th September, 2019
<b>g</b>	<b>Financial Reporting for the year 2017-18</b> For 1st quarter ended 30th June, 2018 For 2nd quarter ending 30th September, 2018 For 3rd quarter ending 31st December, 2018 For 4th quarter ending 31st March, 2019		By 14th August, 2018 By 14th November, 2018 By 14th February, 2019 By 30th May, 2019
<b>h</b>	Date of Book Closure	:	From Tuesday, 7th August, 2018 To Tuesday, 14th August, 2018 (Both days inclusive)
<b>i</b>	Listing on Stock Exchange	:	Bombay Stock Exchange Ltd., Mumbai (BSE) National Stock Exchange of India Ltd., Mumbai (NSE) The Company has paid annual listing fees due to BSE and NSE for the year 2017-18.
<b>j</b>	Stock Exchange Code Number	:	BSE Scrip Code : 507180 NSE Symbol : KESARENT
<b>k</b>	Demat ISIN numbers in NSDL & CDSL	:	INE133BO1019

### Address for correspondence by the Shareholders of the Company:

<b>M/s. Sharex Dynamic (India) Pvt. Ltd.</b> Registrar & Share Transfer Agents Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai – 400 072	<b>Kesar Enterprises Ltd.</b> Oriental House, 7, J. Tata Road, Churchgate, Mumbai-400020
Tel.:28515606/ 28515644 Fax: 2851 28 85 Email: sharexindia@vsnl.com	Tel.: 2204 2396/ 2285 1737 Fax: 2287 6162 Email:djs@kesarindia.com

### Share Transfer System:

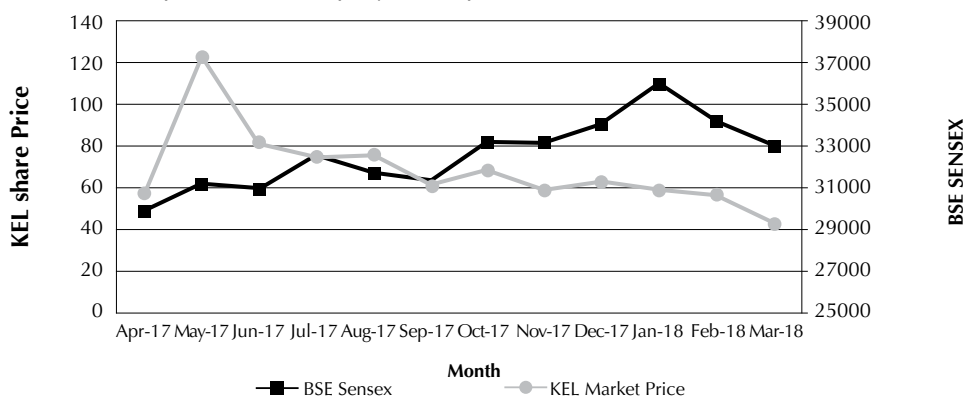
The shares sent for transfer are registered and returned within the time limits. Pursuant to the SEBI (LODR) Regulation 2015, certificates on half yearly basis, have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories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

## Stock Market Data:

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

Month	BSE		NSE	
	High	Low	High	Low
April 2017	65.75	51.00	64.50	49.15
May 2017	139.80	54.75	140.75	55.20
June 2017	119.00	75.20	119.10	76.10
July 2017	84.90	73.25	85.65	73.10
August 2017	90.75	65.20	90.75	64.20
September 2017	95.50	61.40	96.70	61.25
October 2017	75.85	60.25	75.30	58.90
November 2017	72.00	58.60	72.90	57.80
December 2017	79.30	55.35	79.30	56.95
January 2018	68.95	56.70	68.85	57.00
February 2018	66.35	48.00	69.05	47.35
March 2018	58.25	40.00	62.00	41.15

Performance of the share price of the Company in comparison to the BSE Sensex:



## Distribution of shareholding as on 31st March, 2018:

Shareholding in Nominal Value (Rs.)	Shareholders		Share Amount	
	Holders	% of Holders	(Rs.)	% to Total
Upto - 5,000	4,605	88.29	57,02,410	5.66
5,001 -10,000	330	6.33	25,82,690	2.56
10,001 - 20,000	132	2.53	19,54,010	1.94
20,001 - 30,000	48	0.92	12,12,330	1.20
30,001 - 40,000	23	0.44	8,13,500	0.81
40,001 - 50,000	15	0.29	6,86,690	0.68
50,001 - 1,00,000	29	0.55	21,78,610	2.16
1,00,001 - and above	34	0.65	8,56,66,580	84.99
<b>Total</b>	<b>5,216</b>	<b>100.00</b>	<b>10,07,96,820</b>	<b>100.00</b>



# Annual Report 2017-2018

## Categories of Shareholders as on 31st March, 2018:

As on 31.03.2018, about 96.84% of the total shareholding in the Company representing 97,60,821 shares have been converted into dematerialized form.

Sr.	Category	No. of Shares Held	No. of Shares in Demat Form	% of Shareholding
A.	PROMOTERS HOLDING			
1	Promoters: - Indian Promoters	58,06,037	58,06,037	57.60
	- Foreign Promoters	-	-	-
2	Persons acting in concert	11,72,585	11,49,714	11.63
	<b>Sub Total:</b>	<b>69,78,622</b>	<b>69,55,751</b>	<b>69.23</b>
B.	NON-PROMOTERS HOLDING			
1.	INSTITUTIONAL			
	a. Mutual Funds & UTI	1,200	0	0.01
	b. Banks, Financial Institutions, Insurance Companies	5,14,694	5,13,999	5.10
	c. FIs	-	-	-
C.	OTHERS:			
	a. Private Corporate Bodies	6,43,712	6,42,022	6.39
	b. Indian Public	18,77,407	15,85,202	18.63
	c. NRI's/ OCB's	14,055	13,855	0.14
	d. Clearing Members	49,992	49,992	0.50
	<b>Sub Total:</b>	<b>31,01,060</b>	<b>28,05,070</b>	<b>30.77</b>
	<b>GRAND TOTAL:</b>	<b>1,00,79,682</b>	<b>97,60,821</b>	<b>100.00</b>

There are no outstanding ADR's / GDR's or any Convertible Instruments as on date.

### Guidance to Shareholders:

- The shareholders are requested to communicate their bank details, the change of address, if any, directly to M/s Sharex Dynamic (India) Pvt. Ltd., the Registrar & Share Transfer Agent of the Company located at the addresses mentioned in para 15 above.
- In case of lost / misplaced share certificates, shareholders should immediately lodge a FIR / Complaint with the police and submit with the Company, original / certified copy of FIR / acknowledged copy of the complaint and inform the Company to stop transfer of the said shares.
- For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. 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. SEBI vide its circular dated 7.1.2010 has made it mandatory to furnish a copy of PAN in the following cases:-
  - Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
  - Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
  - Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more Shareholders.
- 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.
- Any Shareholder of the Company who has multiple folios in identical names are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.

6. **Nomination:** Section 72 of the Companies Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the will etc. it would therefore be in the best interest of shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed of the nomination facility, are requested to avail the same by submitting the nomination form. This form will be made available on request. Shareholders holding shares in demat form are advised to contact their DP's for making nominations.
7. As required by SEBI, shareholders may furnish details of their bank account number and name and address of the bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.
8. Shareholders, holding shares in electronic format are requested to deal only with their depository participants in respect of any change of address, nomination facility and furnishing bank account number etc.
9. Shareholders, who have not encashed their dividend warrants in respect of the dividend declared for the financial year 2010-2011, are requested to contact the Company and surrender their warrants for revalidation for payment. Shareholders are therefore requested to verify their records and send claims, if any, for the relevant years. The details of declared dividends are as under:

Date of declaration	For the Year	Rate of Dividend	Due date of transfer to IEPF
17.11.2011	2010-2011	@ 10%	14.01.2019

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

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
Kesar Enterprises Limited.

We have examined the compliance of conditions of Corporate Governance by Kesar Enterprises Limited, for the year ended on March 31, 2018, as stipulated in Regulation 17 to 27, Clauses (b) to (i) of Regulation 46 (2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with Stock Exchanges in India.

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

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

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

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

**For Ragini Chokshi & Co.**  
**Mrs. Ragini Chokshi**  
(Partner)  
C.P. No. 1436  
FCS No. 2390

Place : Mumbai  
Date : 13.6.2018

# Annual Report 2017-2018

## DECLARATION

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/Management Personnel for the Financial Year 2017-18.

Mumbai  
13th June, 2018

**H R Kilachand**  
**Chairman & Managing Director**  
**DIN: 00294835**

## CERTIFICATION

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

**The Board of Directors**  
**Kesar Enterprises Limited**

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

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

**Rohit Balu**  
**Chief Financial Officer**

**H R Kilachand**  
**Chairman & Managing Director**  
**DIN: 00294835**

Mumbai,  
13th June, 2018

## INDEPENDENT AUDITOR'S REPORT

To the Members of Kesar Enterprises Limited

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Kesar Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements").

### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the (state of affairs) financial position, profit or loss (financial performance including other comprehensive income) cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

# Annual Report 2017-2018

## Material Uncertainty Related to Going Concern

We draw attention to note 46 to the Ind AS financial statements. For the reason stated in the said note, the financial statements have been prepared on the assumption of going concern, despite accumulated losses resulting in erosion of its net worth.

Our opinion is not modified in respect of this matter.

## Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended March 31, 2017 and March 31, 2016 dated May 19, 2017 and May 25, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
  - e. The matter described under the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
  - f. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 on Contingent Liabilities to the Ind AS financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

**Sumant Sakhardande**

Partner

Membership No. 034828

Place: Mumbai

Date: June 13, 2018

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kesar Enterprises Limited on the financial statements for the year ended March 31, 2018]**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, material discrepancies identified on such verification have been properly dealt with in the books of account.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company except for the details given below:

( ₹ in Lakhs)

Land/ Building	Total number of cases	Leasehold/ Freehold	Gross Block as on March 31, 2018	Net Block as on March 31, 2018	Remarks
Land	12	Freehold	476.71	476.71	Mutation pending with Local Authority

- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. Further, the Company has complied with the provisions of the Section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, excise duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases.

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

- (b) According to the information and explanation given to us, the dues outstanding with respect to, sales tax, service tax, value added tax, excise duty on account of any dispute, are as follows:

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Name of the statute	Nature of dues	Amount ₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act , 1956	Central Sales Tax	58.25	1989-90 and 1996-97 to 1997-98 and 2002-03 to 2004-05	HIGH COURT, ALLAHABAD
U.P. Tax on Entry of Goods into Local Area Act ,2007	Entry Tax	1,220.50	2001-02 to 2010-11 and 2013-14 to 2014-15 and 2016-17	D.C. (A) – Bareilly
Central Excise Act, 1944	Excise Duty Spirits	1.08	2005-06	Supreme Court
Central Excise Act, 1944	Arrears of Overtime of Excise Personnel	15.72	2006-07, 2007-08 & 2008-09	High Court, Allahabad
Central Excise Act, 1944	License Fee Payable	0.48	2007-08	A.E.C. (U.P.)
U.P.Trade Tax Act , 1948	Trade Tax	40.56	1987-88 to 1989-90 and 1991-92 to 1997-98, 2008-09	HIGH COURT, ALLAHABAD
Central Excise Act , 1944	Cenvat Credit of Steel Materials	1.44	2012-2013	AC AEX Bareilly
Central Excise Act , 1944	Cenvat Credit on Molasses Received	4,028.52	2012-2013	Commissioner CEX Meerut
Central Excise Act , 1944	Cenvat Credit on Sale of Bagasses	4.88	2011-2012	AC AEX Bareilly
Central Excise Act , 1944	Cenvat Credit on Sale of Electricity	18.28	2012-2013	Commissioner CEX Meerut
Central Excise Act , 1944	Cenvat Credit on Steel Materials	3.35	2014-2015	AC AEX Bareilly
Central Excise Act , 1944	Cenvat Credit on Steel Materials	6.67	2011-2012	Add Commissioner CEX Meerut
Central Excise Act , 1944	Cenvat Credit on Steel Materials	10.46	2012-2013	Joint Commissioner CEX Meerut
Central Excise Act , 1944	Cenvat Credit on Steel Materials Received	5.13	2012-2013	AC AEX Hapur
Central Excise Act , 1944	Excise Duty - Cenvat on Molasses and Baggase	2,103.70	2003-04 to 2009-10	CESTAT, New Delhi
Central Excise Act , 1944	Demand of reversal of Cenvat Credit Steel materials	7.20	2008-2009	Dy Comm CEX Bareilly
Central Excise Act , 1944	Demand on Service Tax on Commission	148.15	2014-2015	AC AEX Hapur
Central Excise Act , 1944	Denial of Cenvat on MOLASSES Received	273.85	2015-2016	AC AEX Bareilly
Central Excise Act , 1944	Disallow of Molasses Storage Loss	16.71	2009-2010	A.E.C. (U.P.)
Central Excise Act , 1944	Excise Duty - Sale of Bagasse & Press Mud	17.04	2007-2008	A.E.C. (U.P.)
Central Excise Act , 1944	Excise Duty Sale of Bagasse & Press Mud	391.89	2015-16, 2016-2017, 2017- 2018	CESTAT, Allahabad
Central Excise Act , 1944	Loss of Molasses sobatage	18.79	2016-17	AC AEX Bareilly
Central Excise Act , 1944	Shortage of Sugar/Molasses/Scrap	308.62	2011-2012 & 2012-2013	A.E.C. (U.P.)
Central Excise Act , 1944	Wrong Reversal Of CENVAT Credit	243.71	2007-08 to 2016-2017	A.E.C. (U.P.)
Central Excise Act , 1944	Wrong Reversal Of CENVAT Credit	24.14	2004-2005	CESTAT, New Delhi
Central Excise Act , 1944	Wrong Reversal Of CENVAT Credit- Iron & Steel, Welding Electrodes	5.49	2005-2006	Supreme Court SLP No. 24645
Central Excise Act , 1944	Service Tax Credit on Manpower Services etc.	13.01	2013-2014	Commissioner(Appeals) Meerut
Central Excise Act , 1944	Service Tax on Selling Commission to Agents etc.	32.12	2011-2012 to 2014-2015	Joint Commissioner CEX Meerut
Central Excise Act , 1944	Service Tax on Sugar Export Quota	43.89	2011-2012	Addl. Commissioner CEX Meerut

(viii) The Company has not taken any loan or borrowing from financial institution, Government or through debenture holders. Accordingly to the information and explanation given to us, the Company has defaulted in repayment of loans or borrowings to banks, except for details given below:

Particulars	Amount of Default as at March 31, 2018 ( ₹ in Lakhs) (more than 12 months)
Banks	13,144.98
Others	158.46

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

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

**Sumant Sakhadande**

Partner

Membership No. 034828

Place: Mumbai

Date: June 13, 2018



# Annual Report 2017-2018

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kesar Enterprises Limited on the financial statements for the year ended March 31, 2018]

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Kesar Enterprises Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

**Sumant Sakhardande**

Partner

Membership No. 034828

Place: Mumbai

Date: June 13, 2018

# Annual Report 2017-2018

## BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars		Note No.	As at 31st March, 2018	As at 31st March, 2017	(₹ In Lakhs) As at 1st April, 2016
<b>I ASSETS</b>					
<b>1 Non Current Assets</b>					
(a)	Property, Plant & Equipments	2	46,726.04	48,542.17	50,458.39
(b)	Capital Work - in - Progress	2	21.11	7.91	7.91
(c)	Intangible Assets	2	5.29	5.29	6.78
(d)	Financial Assets				
	(i) Investments	3	1,330.39	2,037.23	2,038.11
	(ii) Loans	4	21.72	67.52	174.05
	(iii) Other Financial Assets	5	164.02	164.94	162.39
(e)	Deferred Tax Assets (Net)	5a	16.94	16.94	16.94
(f)	Other Non-Current Assets	5b	288.00	277.70	213.64
<b>2 Current Assets</b>					
(a)	Inventories	6	8,039.89	2,489.98	7,581.52
(b)	Financial Assets				
	(i) Trade Receivables	7	2,894.43	3,728.77	3,400.22
	(ii) Cash and Cash equivalents	8	181.27	70.47	608.13
	(iii) Bank Balance other than Cash and Cash equivalents	9	151.17	67.86	35.29
	(iv) Loans	10	27.18	42.38	18.50
(c)	Other - Current Assets	11	142.91	2,420.89	300.97
<b>Total</b>			<b>60,010.36</b>	<b>59,940.05</b>	<b>65,022.84</b>
<b>II EQUITY AND LIABILITIES</b>					
<b>1 Equity</b>					
(a)	Equity Share Capital	12	1,007.97	1,007.97	1,007.97
(b)	Other Equity	13	9,337.10	14,694.45	13,897.28
<b>2 Non Current Liabilities</b>					
(a)	Financial Liabilities				
	Borrowings	14	782.35	2,042.70	11,886.49
(b)	Other Non - Current Liabilities	15	62.51	59.06	63.06
(c)	Provisions	16	691.42	619.95	537.30
<b>Current Liabilities</b>					
(a)	Financial Liabilities				
	(i) Borrowings	17	8,957.68	9,058.16	15,419.71
	(ii) Trade Payables	18	11,049.46	8,341.66	15,173.14
	(iii) Other Financial Liabilities	19	27,527.03	23,375.37	5,863.18
(b)	Short Term Provisions	20	120.99	115.46	115.16
(c)	Other Current Liabilities	21	455.92	607.74	1,044.28
(d)	Current Tax Liabilities (Net)	22	17.93	17.53	15.27
<b>Total</b>			<b>60,010.36</b>	<b>59,940.05</b>	<b>65,022.84</b>
Significant Accounting policies		1			

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

**Sumant Sakhardande**

Partner

Membership No. 034828

Place: Mumbai

Date: 13th June, 2018

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

**H R KILACHAND**

Chairman & Managing Director

DIN:00294835

**ROHIT BALU**

Chief Financial Officer

**A S RUIA**

Director

DIN: 00296622

**D J SHAH**

Sr. Vice President (Legal) &  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2018

Particulars	Note No.	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017 (₹ In Lakhs)
<b>I. REVENUE</b>			
Income from Operations	23	31,370.74	38,978.81
<b>II. Other Income</b>	24	149.15	155.20
<b>III Total Revenue (I + II)</b>		<u>31,519.89</u>	<u>39,134.01</u>
<b>IV. EXPENSES</b>			
Cost of Materials Consumed	25	31,696.00	21,715.23
Excise Duty on Sale of Goods	26	61.18	1,682.00
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	27	(5,773.59)	5,311.95
Employee Benefits Expense	28	2,154.51	1,717.70
Finance Costs	29	4,316.66	4,052.42
Depreciation and Amortization Expense	2	1,819.14	1,897.64
Other Expenses	30	1,917.66	2,131.84
<b>Total Expenses</b>		<u>36,191.56</u>	<u>38,508.78</u>
<b>V Profit before Exceptional Items &amp; Tax (III- IV)</b>		(4,671.67)	625.23
<b>VI Exceptional Items</b>		-	-
<b>VII Net Profit/(Loss) Before Tax (V-VI)</b>		<u>(4,671.67)</u>	<u>625.23</u>
<b>VIII Tax Expense:</b>			
a Current Tax		-	-
c Deferred Tax		-	9.05
<b>IX Profit / (Loss) for the Period (VII-VIII)</b>		<u>(4,671.67)</u>	<u>616.18</u>
<b>X Other Comprehensive Income</b>			
a (i) Items that will not be reclassified to profit or loss.		(688.04)	178.38
(ii) Income tax relating to items that will not be reclassified to profit or loss.		-	-
b (i) Items that will be reclassified to profit or loss.		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss.		-	-
<b>XI Net Profit/(Loss) for the Period (IX + X)</b>		<u>(5,359.71)</u>	<u>794.56</u>
Basic Earnings Per Equity Share	42	(46.35)	6.11
Diluted Earnings Per Equity Share		(46.35)	6.11
[Nominal Value of Equity Share ₹ 10/- (P.Y. ₹ 10/-)]			
Significant Accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.103523W/W100048

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

**Sumant Sakhardande**  
Partner  
Membership No. 034828

**H R KILACHAND**  
Chairman & Managing Director  
DIN:00294835

**A S RUIA**  
Director  
DIN:02132564

Place: Mumbai  
Date: 13th June, 2018

**ROHIT BALU**  
Chief Financial Officer

**D J SHAH**  
Sr. Vice President (Legal) &  
Company Secretary

# Annual Report 2017-2018

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2018

(₹ In Lakhs)

Particulars	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET PROFIT/(LOSS) BEFORE TAX & OTHER COMPREHENSIVE INCOME	(4,671.67)	625.23
<b>Non cash adjustments to reconcile profit/(loss) before tax to net cash flows:</b>		
Depreciation and Amortization Expense	1,819.14	1,897.64
Dividend Income	(5.20)	(5.07)
Interest Income	(15.85)	(16.56)
Interest and Finance Charges	4,316.66	4,052.42
other comprehensive income / (expense) (Excluding diminution in value of investments)	16.06	179.34
Transferred to Molasses Storage Reserves	2.36	2.62
Loss / (Profit) on sale of Fixed Assets (net)	(5.16)	12.27
Loss / (Profit) on sale of Investments (net)	(35.97)	(177.99)
Credit Balances Written Back	(73.94)	(88.75)
Bad Debts / Sundry Balance Written off	150.58	669.06
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>1,497.01</b>	<b>7,150.21</b>
<b>Movements in working Capital</b>		
Decrease / (Increase) in Inventories	(5,549.91)	5,091.54
Decrease / (Increase) in Trade Receivables	683.75	(997.61)
Decrease / (Increase) in Financial Assets - Loans (current)	15.20	(23.88)
Decrease / (Increase) in Financial Assets - Bank Balance	(83.31)	(32.57)
Decrease / (Increase) in Financial Assets - Loans (Non-current)	45.80	106.53
Decrease / (Increase) in Other Current Assets	(10.30)	(64.06)
Decrease / (Increase) in Other Current Assets	2,277.98	(2,119.92)
Increase / (Decrease) in Trade Payables	2,781.74	(6,742.73)
Increase / (Decrease) in Other Current Liabilities	(142.52)	(444.94)
Increase / (Decrease) in Short term Provisions (Employee Benefits)	5.53	0.30
Increase / (Decrease) in Other Non - Current Liabilities	3.45	(4.00)
Increase / (Decrease) in Non - Current Liabilities Provisions	71.47	82.65
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,595.89</b>	<b>2,001.51</b>
Taxes (Paid)/ Refunds	0.40	(6.79)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,596.29</b>	<b>1,994.72</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
(Purchase)/ Sale of Fixed Assets including Intangible Assets & CWIP	(20.70)	(7.33)
Sale/Scrap of Fixed Assets	9.65	15.13
Sale of Investments (Net)	38.72	177.91
(Investment in)/ withdrawal of Fixed Deposits	0.92	(0.23)
Interest Received	15.85	14.24
Dividend Received	5.20	5.07
<b>NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES</b>	<b>49.64</b>	<b>204.79</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of Borrowings including Current Maturities	(699.88)	(602.66)
Dividends Paid	(0.86)	(2.54)
Interest Paid	(834.39)	(2,131.97)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1,535.13)</b>	<b>(2,737.17)</b>
<b>NET INCREASE /( DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>110.80</b>	<b>(537.66)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>70.47</b>	<b>608.13</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>181.27</b>	<b>70.47</b>
<b>COMPONENT CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	1.29	1.17
Balance with Bank on Current Account	179.98	69.30
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>181.27</b>	<b>70.47</b>

The accompanying notes are an integral part of the financial statements  
As per our report of even date

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

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

**Sumant Sakhardande**

Partner

Membership No. 034828

**H R KILACHAND**

Chairman & Managing Director

DIN:00294835

**A S RUIA**

Director

DIN:02132564

Place: Mumbai

Date: 13th June, 2018

**ROHIT BALU**

Chief Financial Officer

**D J SHAH**

Sr. Vice President (Legal) &  
Company Secretary

## 1. SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of Compliance with IND-AS

In accordance with the notification dated 16th February 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind-AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016 with restatement of previous year figures presented in this financial statement. Accordingly, the financial statements have been prepared in accordance with Ind-AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act

The Company has adopted all the applicable Ind-AS and the adoption was carried out in accordance with Ind-AS 101 "First time adoption of Indian Accounting Standards".

The transition was carried out from Generally Accepted Accounting Principles in India which comprised of applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI) ("Previous GAAP").

These financial statements for the year ended 31st March, 2018 are the first financial statements of the Company prepared in accordance with Ind-AS. The date of transition to Ind-AS is 1st April, 2016. Reconciliations and descriptions of the effect of the transition have been summarized in Note No. 49). All the Ind-AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

### (b) Basis of Measurement

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

- Certain financial assets and liabilities are measured at fair value;
- Assets held for sale- measured at fair value less cost to sell;
- Defined benefit plans- plan assets measured at fair value.
- Land, Building and Plant & Equipments are carried at revalued amount.

### (c) Current versus non-current classification

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

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

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## (e) Use of Estimates

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

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

### Key accounting estimates

#### (i) Income taxes:

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

#### (ii) Defined Benefit Obligation:

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

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

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

#### (iii) Fair value measurement of financial instruments:

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

## (f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- (i) Sale of goods: Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales are net of Goods & Services Tax, value added taxes and excise duty.
- (ii) Revenue is measured at the fair value of the consideration received or receivable. The amount recognised as revenue is exclusive of Goods & Services Tax, Service Tax, Sales Tax and Value Added Taxes (VAT), and is net of discounts.
- (iii) Dividend income is accounted for when the right to receive the income is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- (iv) Insurance Claims are recognised only when the claim is admitted/expected to be admitted and there is no uncertainty on receiving the claim

- (v) Renewable Energy Certificates (REC's) entitlements owing to generation of power are recognised to the extent of sold net of Goods & Services Tax.
- (vi) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(g) Property Plant and Equipment**

- (i) Property, Plant and Equipment (whether Tangible or Intangible) are initially measured at cost of acquisition less accumulated depreciation/ amortization/ impairment loss (if any), net of CENVAT (wherever claimed). The cost of fixed assets includes taxes, duties, freight, borrowing cost, concession premium and pre-operative costs if capitalization criteria are met and other incidental expenses incurred in relation to their acquisition/ bringing the assets for their intended use
- (ii) The Company is following revaluation model for Land, Building & Plant & Equipments. The assets are stated at fair market value less accumulated depreciation recognized after the date of the revaluation. Revaluation Reserve to the extent of amount in excess of Written Down Value, is shown as Revaluation Reserve under the head "Other Equity". The revaluation shall be carried out every five years.
- (iii) Subsequent additional expenditure related to property plant and equipment are added only if they increase the future economic benefits from the existing assets beyond its previously assessed standard of performance.
- (iv) On transition to Ind-AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP as the deemed cost of the property, plant and equipment except Land, Building and Plant & equipments which are carried at revalued amount.

**(h) Depreciation**

- (i) Leasehold Land and Premium on Leasehold Land is amortised over the period of lease.
- (ii) Depreciation on Assets taken on lease has been provided on a Straight Line Method based on remaining useful life of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- (iii) For all other assets, depreciation is provided on a Written Down Value Method based on remaining useful life of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- (iv) The estimated useful life of the assets are as given below :

Description of Assets	Useful Life
Buildings	30-60 years
Roads	10 years
Plant & Equipments	25 years
Electrical Installation	10 years
Office Equipments	5 years
Vehicles	8 years
Furniture & Fixtures	10 years
Computers	3 years
Computer Software	6 years



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- (v) Depreciation on Assets, whose actual cost does not exceed ` 0.05 Lakh for each asset is provided at the rate of hundred percent.
- (vi) Depreciation on revalued portion is provided for the balance estimated useful life of the respective assets.
- (vii) For assets added / disposed off during the year, depreciation has been provided on a pro-rata basis with reference to the period, at the applicable rates.

**(i) Capital Work-in-Progress**

Expenditure during the construction/ pre-operative period is included under Capital Work-in-Progress and the same is allocated to the respective fixed assets on the completion of their construction.

**(j) Borrowing Costs:**

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) Leases:**

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**Leased assets:** Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

**(l) Impairment of Non-Financial Assets**

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

## (m) Financial Instruments

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

### Part I - Financial Assets

#### i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### ii) Subsequent measurement

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

##### - Financial Asset at amortised cost:

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

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

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

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

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

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

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

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

##### - Financial Assets at FVTPL (Fair Value through Profit or Loss)

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

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

#### Equity investments

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

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

## iii) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

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

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

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

## iv) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities deposits, trade receivables and bank balance;
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind-AS 17
- Trade receivables or any contractual right to receive cash or another financial asset
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

that are possible within 12 months after the reporting date.

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

## Part II - Financial Liabilities

### i) Initial recognition and measurement

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

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, are also classified as above.

### ii) Subsequent measurement

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

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

#### Loans and borrowings

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

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

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities under borrowings. The dividends on these preference shares, if any are recognised in the profit or loss as finance cost.

#### Financial guarantee contracts

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

### iii) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially

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different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## iv) Offsetting of financial instruments

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

## (n) Inventories

- (i) Raw Materials, Work-in-Process and Stores and Spares are valued at lower of cost arrived on weighted average method and Net Realisable Value.
- (ii) Finished Goods and Trading Goods are valued at lower of cost and Net Realisable Value. Cost includes direct material, direct labour, excise duty and attributable overheads.
- (iii) By-Products and Scrap Materials are valued at estimated net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## (o) Foreign Currency Transactions

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

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

## (p) Intangible assets - Research & Development Expenditure

Expenditure during Research phase is charged off to the statement of Profit and Loss in the year in which it is incurred and expenditure during Development phase is shown as an addition to Fixed Assets, if it is materialized, else it is charged off in the year where it is not materialized.

## (q) Earnings per Share

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

## (r) 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. The company has no obligations to restore the land on dismantling the property plant and equipment.

## (s) Income-tax

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

equity. In which case, the tax is also recognised in other comprehensive income or equity.

- **Current tax**

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

- **Deferred tax**

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

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

Deferred tax relating to items recognized outside profit or loss are recognized outside profit or loss/either in other comprehensive income or in equity.

- **Minimum Alternate Tax (MAT)**

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

(t) **Segment Reporting**

The segment reporting is in line with the accounting policies of the Company. The segments are in line with the reporting done to the Chief Operating Decision maker which is the Board of directors Inter segment transactions have been accounted for based on the price which has been arrived at considering cost plus appropriate margins. Revenue and expenses that are directly identifiable with or allocable to segments are considered for determining the segment results. Segment assets and liabilities include those directly identifiable with the respective segments. Business segments are identified on the basis of the nature of products, the risk/return profile of the individual business, the organizational structure and the internal reporting system of the Company.

(u) **Employee Benefits**

**Short Term Employee Benefits**

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

**Post-Employment Benefits**

**Defined Contribution Plans**

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

**Defined Benefit Plans**

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

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

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

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

## (v) **Contingent Liabilities and Contingent Assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

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

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

## (w) **Cash and cash equivalents**

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

## (x) **Government grants and subsidies**

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

When the grant or subsidy relates to revenue, it is netted off with the related costs, which they are intended to compensate. Where the grant relates to fixed asset, it is shown separately as deferred revenue expenses.

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(₹ In Lakhs)

Particulars	Equity Share Capital	Other Equity							Total Other Equity	Total Equity
		Capital Reserve	Securities Premium Reserve	Revaluation Reserves	Storage and Effluent Disposal Reserves:	General Reserve	Retained Earning	Other Comprehensive Income		
As at April 1, 2016	1,007.97	67.90	801.05	28,776.43	64.30	2,635.16	(20,426.13)	1,978.57	13,897.28	14,905.25
Profit/ (Loss) for the Year							616.17		616.17	616.17
Addition during the Year					2.62			178.38	181.00	181.00
Transfer to General Reserve				(695.56)					(695.56)	(695.56)
Transfer From Revaluation Reserve						695.56			695.56	695.56
As at March 31, 2017	1,007.97	67.90	801.05	28,080.87	66.92	3,330.72	(19,809.96)	2,156.95	14,694.45	15,702.42
Profit/ (Loss) for the Year							(4,671.67)		(4,671.67)	(4,671.67)
Addition during the Year					2.36			(688.04)	(685.68)	(685.68)
Transfer to General Reserve				(894.63)					(894.63)	(894.63)
Transfer From Revaluation Reserve						894.63			894.63	894.63
As at March 31, 2018	1,007.97	67.90	801.05	27,186.24	69.28	4,225.35	(24,481.63)	1,468.91	9,337.10	10,345.07

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

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

**Sumant Sakhardande**

Partner

Membership No. 034828

**H R KILACHAND**

Chairman & Managing Director

DIN:00294835

**A S RUIA**

Director

DIN:02132564

Place: Mumbai

Date: 13th June, 2018

**ROHIT BALU**

Chief Financial Officer

**D J SHAH**

Sr. Vice President (Legal) &  
Company Secretary



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## 2 PROPERTY, PLANT AND EQUIPMENTS

Particulars/ Assets	Free hold Land	Lease hold Premium	Lease hold	Buildings	Plant & Equipments	Office Equipments	Vehicles	Furniture & Fixtures	Tangible Assets Sub Total	Computer Software	Capital Work in Progress	Total Assets
<b>Gross Carrying amount</b>												
Deemed Cost as at April 1, 2016	9,481.14	0.06	6,748.57	9,821.33	38,976.56	601.50	274.49	591.96	66,495.61	146.84	7.91	66,650.36
Additions	-	-	-	-	6.01	0.89	-	0.43	7.33	-	-	7.33
Deductions/ Disposals	-	-	-	-	252.85	54.80	21.64	61.83	391.12	16.41	-	407.53
<b>Balance as at March 31, 2017</b>	<b>9,481.14</b>	<b>0.06</b>	<b>6,748.57</b>	<b>9,821.33</b>	<b>38,729.72</b>	<b>547.59</b>	<b>252.85</b>	<b>530.56</b>	<b>66,111.82</b>	<b>130.43</b>	<b>7.91</b>	<b>66,250.16</b>
Additions	-	-	-	-	-	6.97	-	0.53	7.50	-	13.20	20.70
Deductions/ Disposals	-	-	-	-	11.15	3.35	23.26	1.56	39.32	-	-	39.32
<b>Balance as at March 31, 2018</b>	<b>9,481.14</b>	<b>0.06</b>	<b>6,748.57</b>	<b>9,821.33</b>	<b>38,718.57</b>	<b>551.21</b>	<b>229.59</b>	<b>529.53</b>	<b>66,080.00</b>	<b>130.43</b>	<b>21.11</b>	<b>66,231.54</b>
<b>Accumulated Depreciation</b>												
<b>As at April 1, 2016</b>	-	0.04	220.79	3,479.02	11,116.12	566.66	256.28	398.31	16,037.22	140.06	-	16,177.28
Depreciation charge for the year	-	-	65.57	588.60	1,169.79	10.87	3.66	57.95	1,896.44	1.20	-	1,897.64
Deductions/ Disposals	-	-	-	-	229.80	53.44	20.78	59.99	364.01	16.12	-	380.13
<b>Balance as at March 31, 2017</b>	<b>-</b>	<b>0.04</b>	<b>286.36</b>	<b>4,067.62</b>	<b>12,056.11</b>	<b>524.09</b>	<b>239.16</b>	<b>396.27</b>	<b>17,569.65</b>	<b>125.14</b>	<b>-</b>	<b>17,694.79</b>
Depreciation charge for the year	-	-	56.53	575.57	1,139.85	5.80	1.34	40.05	1,819.14	-	-	1,819.14
Deductions/ Disposals	-	-	-	-	8.61	3.09	21.88	1.25	34.83	-	-	34.83
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>0.04</b>	<b>342.89</b>	<b>4,643.19</b>	<b>13,187.35</b>	<b>526.80</b>	<b>218.62</b>	<b>435.07</b>	<b>19,353.96</b>	<b>125.14</b>	<b>-</b>	<b>19,479.10</b>
<b>Net Carrying amount</b>												
As at March 31, 2018	9,481.14	0.02	6,405.68	5,178.14	25,531.22	24.41	10.97	94.46	46,726.04	5.29	21.11	46,752.44
As at March 31, 2017	9,481.14	0.02	6,462.21	5,753.71	26,673.61	23.50	13.69	134.29	48,542.17	5.29	7.91	48,555.37
As at April 1, 2016	9,481.14	0.02	6,527.78	6,342.31	27,860.44	34.84	18.21	193.65	50,458.39	6.78	7.91	50,473.08

## NOTES FORMIG PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2018

### 3. NON CURRENT FINANCIAL ASSETS

(₹ In Lakhs)

#### INVESTMENTS

#### PARTICULARS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Other Investments (at cost unless otherwise stated)</b>			
<b>(a) In fully paid Equity Shares through FVTPL (Unquoted)</b>			
(i) 300 Shares of ₹ 100/- each (P.Y.: 300 Shares of ₹ 100/- each ) of U.P. Seeds & Tarai Development Corporation Ltd.	0.30	0.30	0.30
(ii) 5 Shares of ₹ 10/- each (P.Y.: 5 Shares of ₹ 10/- each ) of Baheri Co-operative Cane Development Union Ltd.	-	-	-
(iii) 17 Shares of ₹ 20/- each (P.Y. 17 Shares of ₹ 20/- each ) of Sahakari Ganna Vikas Samiti Ltd.	-	-	-
(iv) 1 Share of ₹ 100/- (P.Y.: 1 Share of ₹ 100/-) of Ganna Beej Nigam, Bareilly	-	-	-
(v) 1 Share of ₹ 20/- (P.Y.: 1 Share of ₹ 20/-) of Bhojeeपुरा Co-operative Cane Development Union Ltd.	-	-	-
(vi) Nil Equity Shares os ₹ 10/- (P.Y.: 25,000 Share of ₹ 10/-) each of Kesar Multimodal Logistics Ltd. (Extent of holding 0.00% (P.Y. 0.06%))	-	2.50	2.50
(vii) 10 Equity Shares of ₹ 1000/- each (P.Y.: 10 Equity Shares of ₹ 1000/- each) of Antophill Warehousing Company Ltd.	0.10	0.10	0.10
<b>Total</b>	<b>0.40</b>	<b>2.90</b>	<b>2.90</b>
<b>(b) In fully paid Equity Shares Through FVTOCI (Quoted)</b>			
(i) 10,40,000 Equity Shares of ₹ 5/- each (P.Y.: 5,00,000 Equity Shares of ₹ 10/- each) of Kesar Terminals and Infrastructure Limited (Extent of Holding 9.52% [P.Y.: 9.52%])	1,328.60	2,008.24	1,910.00
(ii) Nil Equity Shares of ₹ 2/- each (P.Y.: 43,200 Equity Shares of ₹ 2/- each) of Walchandnagar Industries Ltd. [Extent of holding 0.00% (P.Y.: 0.00%)]	-	-	63.89
(iii) Nil Equity Shares of ₹ 10/- each (P.Y.: 9,230 Equity Shares of ₹ 10/- each) of Shervani Industrial Syndicate Ltd. [Extent of holding 0.00% (P.Y.0.006%)]	-	13.29	13.02
(iv) Nil Equity Shares of ₹ 2/- each (P.Y.: 15,000 Equity Shares of ₹2/- each) of Indian Hume Pipe Co. Ltd. [Extent of holding 0.00% (P.Y.: 0.01%)]	-	11.42	47.42
<b>Total</b>	<b>1328.60</b>	<b>2032.95</b>	<b>2034.33</b>
<b>(c) Investment in Government Security (At amortised Cost)</b>			
National Savings Certificates (Lodged as security deposit)	1.39	1.38	0.88
<b>Total (a+b+c)</b>	<b>1,330.39</b>	<b>2,037.23</b>	<b>2,038.11</b>
Aggregate amount of Unquoted Investment Carried at Cost	1.79	4.28	3.78
Aggregate amount of Quoted Investment at Market Value	1,328.60	2,032.95	2,034.33
<b>Total</b>	<b>1,330.39</b>	<b>2,037.23</b>	<b>2,038.11</b>

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4. LOANS		(₹ In Lakhs)		
PARTICULARS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	
(a) Security Deposits	21.72	24.26	15.03	
(b) Other Loans and Advances				
Unsecured, considered good	-	43.26	159.02	
Unsecured, considered doubtful	54.18	54.18	11.46	
	<u>54.18</u>	<u>97.44</u>	<u>170.48</u>	
Less: Provision for doubtful advances	54.18	54.18	11.46	
	<u>-</u>	<u>43.26</u>	<u>159.02</u>	
<b>Total</b>	<b><u>21.72</u></b>	<b><u>67.52</u></b>	<b><u>174.05</u></b>	
<b>5. OTHER FINANCIAL ASSETS</b>				
(a) Fixed Deposits with Bank (Under lien for issuing various Bank Guarantees in favour of Government authorities)	151.62	152.54	152.31	
(b) Interest Accrued on Bank Fixed Deposits	11.61	11.74	9.50	
(c) Interest Accrued on Investments	0.79	0.66	0.58	
<b>Total</b>	<b><u>164.02</u></b>	<b><u>164.94</u></b>	<b><u>162.39</u></b>	
<b>5A. DEFERRED TAX ASSETS (NET)</b>				
MAT Credit entitlement	16.94	16.94	16.94	
<b>Total</b>	<b><u>16.94</u></b>	<b><u>16.94</u></b>	<b><u>16.94</u></b>	
<b>5B. OTHER NON-CURRENT ASSETS</b>				
Balance with Government Authorities	288.00	277.70	213.64	
<b>Total</b>	<b><u>288.00</u></b>	<b><u>277.70</u></b>	<b><u>213.64</u></b>	
<b>6. INVENTORIES</b>				
<b>(a) Raw Materials and components (Valued at lower of Cost or NRV)</b>				
(i) Molasses	0.36	14.79	14.79	
(ii) Malt Spirit	8.33	8.33	8.33	
	<u>8.69</u>	<u>23.12</u>	<u>23.12</u>	
<b>(b) Work-in-progress (Valued at lower of Cost or NRV)</b>				
(i) Sugar	511.61	27.43	44.50	
(ii) Molasses	1.16	0.47	1.09	
	<u>512.77</u>	<u>27.90</u>	<u>45.59</u>	
<b>(c) Finished goods (Valued at lower of Cost and Net Realisable Value)</b>				
(i) Sugar *	6,068.97	851.19	6,451.93	
(ii) Spirits *	67.79	67.82	67.82	
(iii) Banked Power	5.49	43.02	40.43	
	<u>6,142.25</u>	<u>962.03</u>	<u>6,560.18</u>	

# KESAR ENTERPRISES LIMITED

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
			(₹ In Lakhs)
<b>(d) By - Products (Valued at estimated realisable value)</b>			
(i) Molasses	8.43	936.01	632.13
(ii) Bagasses	1,036.08	305.00	51.88
	<b>1,044.51</b>	<b>1,241.01</b>	<b>684.01</b>
<b>(e) Stores and spares (Valued at Cost)</b>	331.67	235.92	268.62
<b>Total</b>	<b>8,039.89</b>	<b>2,489.98</b>	<b>7,581.52</b>
*includes Excise Duty on Closing Stock ₹Nil (P.Y. ₹ 200.63 Lakhs)			
<b>7. TRADE RECEIVABLES</b>			
Unsecured considered good	2,894.43	3,728.77	3,400.22
Unsecured, considered doubtful	387.26	253.72	78.06
	<b>3,281.69</b>	<b>3,982.49</b>	<b>3,478.28</b>
Less: Allowance for bad and doubtful debts	387.26	253.72	78.06
<b>Total</b>	<b>2,894.43</b>	<b>3,728.77</b>	<b>3,400.22</b>
<b>8. CASH AND CASH EQUIVALENTS</b>			
(a) Balance with Bank on Current Account	179.98	69.30	607.46
(b) Cash on hand	1.29	1.17	0.67
<b>Total</b>	<b>181.27</b>	<b>70.47</b>	<b>608.13</b>
<b>9. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS</b>			
(a) On Unclaimed Dividend Accounts	1.17	2.03	4.57
(b) Fixed deposit with Bank (More than 3 months & less than 12 months)	150.00	65.83	30.72
<b>Total</b>	<b>151.17</b>	<b>67.86</b>	<b>35.29</b>
<b>10. LOANS</b>			
<b>(Unsecured, Considered good)</b>			
(a) Advances to Employees	3.17	2.08	1.26
(b) Receivables from Related Party	24.01	40.30	17.24
<b>Total</b>	<b>27.18</b>	<b>42.38</b>	<b>18.50</b>
<b>11. OTHER - CURRENT ASSETS</b>			
(a) Refund of Cane Commission Receivables	-	-	133.72
(b) Balance in Designated Escrow Bank Account	-	2,311.15	-
(c) Others (advance excise duty, advance to supplier & Others)	142.91	109.74	167.25
<b>Total</b>	<b>142.91</b>	<b>2,420.89</b>	<b>300.97</b>

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## 12. EQUITY SHARE CAPITAL

(₹ In Lakhs)

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number	Amount	Number	Amount	Number	Amount
<b>Authorised</b>						
Equity Shares of ₹ 10/- each	1,20,00,000	1,200.00	1,20,00,000	1,200.00	1,20,00,000	1,200.00
Preference Shares of ₹ 10/- each	1,00,00,000	1,000.00	1,00,00,000	1,000.00	1,00,00,000	1,000.00
<b>Issued, Subscribed &amp; Paid up</b>						
Equity Shares of ₹ 10/- each	1,00,79,682	1,007.97	1,00,79,682	1,007.97	1,00,79,682	1,007.97
<b>Total</b>	<b>1,00,79,682</b>	<b>1,007.97</b>	<b>1,00,79,682</b>	<b>1,007.97</b>	<b>1,00,79,682</b>	<b>1,007.97</b>

### (a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

#### Equity Shares Outstanding

Shares outstanding at the beginning of the year	1,00,79,682	1,007.97	1,00,79,682	1,007.97	1,00,79,682	1,007.97
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	<b>1,00,79,682</b>	<b>1,007.97</b>	<b>1,00,79,682</b>	<b>1,007.97</b>	<b>1,00,79,682</b>	<b>1,007.97</b>

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

The Company has only one class of Equity Shares having a par value of ₹ 10 /- per Share. Each Holder of Equity Shares is entitled to one vote per Share. The Company declares and pays Dividends in Indian Rupees. The Dividend, if proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except for interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their holdings.

### (c) Details of Shareholders holding more than 5% Shares in the Company

#### Equity Shareholder

Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kesar Corporation Pvt. Ltd.	23,37,922	23.19	23,37,922	23.19	23,37,922	23.19
Seel Investments Pvt. Ltd.	32,25,699	32.00	32,25,699	32.00	32,25,699	32.00
H R Kilachand	6,15,111	6.10	5,56,352	5.52	5,56,352	5.52

## 13. OTHER EQUITY

PARTICULARS	(₹ In Lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Capital Reserves	67.90	67.90	67.90
(b) Securities Premium Reserve			
Opening Balance	801.05	801.05	801.05
Add : Securities premium credited on Share issued	-	-	-
Closing Balance	<u>801.05</u>	<u>801.05</u>	<u>801.05</u>
(c) Revaluation Reserves			
Opening Balance	28,080.87	20,897.39	21,862.29
Less: Transfer to General Reserve	894.63	695.56	964.90
Add: Addition during the year	-	7,879.04	7,879.04
Closing Balance	<u>27,186.24</u>	<u>28,080.87</u>	<u>28,776.43</u>
(d) Storage and Effluent Disposal Reserves:			
(Refer Note No 32)			
(i) Storage Reserves for Alcohol:			
Opening Balance	5.26	5.26	4.83
Add: Current Period Transfer	-	-	0.43
Closing Balance	<u>5.26</u>	<u>5.26</u>	<u>5.26</u>
(ii) Storage Reserves for Molasses:			
Opening Balance	56.07	53.45	48.81
Add: Current Period Transfer	2.36	2.62	4.64
Closing Balance	<u>58.43</u>	<u>56.07</u>	<u>53.45</u>
(iii) Effluent Disposal Reserves			
Opening Balance	5.59	5.59	5.14
Add: Current Period Transfer	-	-	0.45
Closing Balance	<u>5.59</u>	<u>5.59</u>	<u>5.59</u>
(e) General Reserve			
Opening Balance	3,330.72	2,635.16	1,670.26
Add: Transfer from Revaluation Reserve	894.63	695.56	964.90
Closing Balance	<u>4,225.35</u>	<u>3,330.72</u>	<u>2,635.16</u>
(f) Retained Earning			
Opening Balance	(19,809.96)	(20,426.13)	(15,058.81)
Less: Net Profit / (Loss) for the Period	(4,671.67)	616.17	(5,367.32)
	<u>(24,481.63)</u>	<u>(19,809.96)</u>	<u>(20,426.13)</u>
(g) Other Comprehensive Income (OCI)			
Opening Balance	2,156.95	1,978.57	-
Other Comprehensive Income	(688.04)	178.38	1,978.57
	<u>1,468.91</u>	<u>2,156.95</u>	<u>1,978.57</u>
<b>Total</b>	<u><u>9,337.10</u></u>	<u><u>14,694.45</u></u>	<u><u>13,897.28</u></u>

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14. BORROWINGS PARTICULARS	As at 31st March, 2018	As at 31st March, 2017	(₹ In Lakhs) As at 1st April, 2016
(a) Secured Borrowings			
(i) Term Loans from Banks			
(1) Sugar Development Fund (Modernisation Loan)	453.89	453.89	453.89
<b>Security:</b> Secured by way of first pari passu charge on Properties of the Sugar Factory at Baheri both present and future			
<b>Terms of Repayments:</b> Tranche I: Repayable in 5 annual installments of ₹.44.05 Lakhs each, starting from August 3, 2018 to August 3, 2022. Tranche II: Repayable in 5 annual installments of ₹ 46.72 Lakhs each, starting from August 15, 2018. to August 15, 2022.			
(2) Sugar Development Fund (Co-Gen Term Loan)	158.46	794.96	1,431.46
<b>Security:</b> Secured by way of first pari passu charge on Properties of the Sugar Factory at Baheri both present and future			
<b>Terms of Repayments:</b> Tranche I: Repayable in 10 half yearly installments of ₹159.77 Lakhs each, starting from July 4, 2014 to January 4, 2019.			
Tranche II: Terms of Repayments: Repayable in 10 half yearly installments of ₹158.47 Lakhs each, starting from March 2015 to September 2019.			
(3) UCO Bank Ltd. (Co-Gen Term Loan)			
<b>Term Loan</b>	-	-	3,425.84
<b>Funded Interest Term Loan (FITL)</b>	-	-	720.00
<b>Primary Security:</b> Secured by way of first pari passu charge on all Fixed Assets of Sugar, Distillery and Power Division at Baheri both present and future, and 1st pari passu charge on the Current Assets of proposed Power Project both present and future.			
<b>Collateral Security:</b> Secured by way of 2nd pari passu charge on the Current Assets of Sugar and Distillery Division at Baheri (except Sugar Stocks pledged) both present and future			
<b>Personal Guarantee:</b> Personal Guarantee of Shri H R Kilachand			
<b>Terms of Repayments:</b> Repayable in 24 quarterly instalments of ₹ 171.29 Lakhs & ₹ 42.17 Lakhs each, starting from quarter ending September 2016 to June 2022 as per bilateral debt restructuring plan.			
(4) Allahabad Bank ( Modernisation Term Loan)	-	-	37.00
<b>Primary Security:</b> Secured by way of first pari passu charge on all Fixed Assets of Sugar Division at Baheri both present and future			
<b>Collateral Security:</b> Secured by way of 2nd pari passu charge on the Current Assets of Sugar and Distillery Division at Baheri (except Sugar Stocks pledged) both present and future			
<b>Terms of Repayments:</b> Repayable in 24 quarterly installments of ₹ 20 Lakhs each, starting from November 2011 to August 2017.			

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PARTICULARS	(₹ In Lakhs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(5) Allahabad Bank ( Co-Gen Term Loan)			
Term Loan	-	-	3,644.16
Funded Interest Term Loan (FITL)	-	-	720.00
<b>Primary Security:</b> Secured by way of first pari passu charge on all Fixed Assets of Sugar, Distillery and Power Division both present and future at Baheri			
Secured by way of 1st pari passu charge on the Current Assets of Power at Baheri Poject both present and future.			
<b>Collateral Security:</b> Secured by way of 2nd pari passu charge on the Current Assets of Sugar and Distillery Division at Baheri (except Sugar Stocks pledged) both present and future.			
<b>Personal Guarantee:</b> Personal Guarantee of Shri H R Kilachand			
<b>Terms of Repayments:</b> Repayable in 24 quarterly instalments of ₹ 182.21 Lakhs & 45.00 Lakhs each, starting from quarter ending September 2016 to June 2022 as per bilateral debt restructuring plan.			
(6) U.P. Co-Operative Bank, SEFA Loan (Scheme for Extending Financial Assistance to Sugar Undertakings, 2014).	-	623.85	1,303.30
<b>Security:</b> Secured by way of residual charge on the Fixed Assets of the Sugar Division situated at Baheri, on pari passu basis			
<b>Terms of Repayment:</b> Repayable in 5 years including 2 years of moratorium i.e 36 Equally monthly installment of ₹ 56.67 Lakhs from March, 2016.			
<b>Rate of Interest:</b> ranging from 4% to 12% p.a. for above loans			
<b>Total Secured Borrowings</b>	<b>612.35</b>	<b>1872.70</b>	<b>11735.65</b>
(Out of the total secured borrowings of ₹ 15,010.80 Lakhs (P.Y. ₹ 15,613.7 Lakhs), borrowings of ₹ 14,939.37.03 Lakhs (P.Y. ₹ 13,741.03 Lakhs) having current maturities, have been disclosed in Note No: 19)			
(b) Unsecured Borrowings			
<b>Loans from Related Parties</b>	170.00	170.00	150.84
Interest free and repayable on demand but not before 12 months from the date of Balance Sheet (Refer note No 36)			
<b>Total Unsecured Borrowings</b>	<b>170.00</b>	<b>170.00</b>	<b>150.84</b>
<b>Total (a + b)</b>	<b>782.35</b>	<b>2,042.70</b>	<b>11,886.49</b>

## Details of Default in repayment of principal Instalment & Interest

PARTICULARS	(₹ In Lakhs)		
	Banks	Others	Total
0-90 Days	213.50	413.86	627.36
90-180 Days	442.09	499.76	941.85
More Than 180 Days	542.02	2,703.39	3,245.41
<b>Total</b>	<b>1,197.61</b>	<b>3,617.01</b>	<b>4,814.62</b>



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15. OTHER NON CURRENT LIABILITIES		(₹ In Lakhs)		
PARTICULARS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	
Deposits from Dealers & Customers	62.51	59.06	63.06	
(Repayable on cancellation of distributionship and Interest in the range of 9% to 12% p.a.)				
<b>Total</b>	<u>62.51</u>	<u>59.06</u>	<u>63.06</u>	

16. PROVISIONS				
Provision for Employees Benefits				
(i) Leave Encashment (Non funded)	69.57	70.40	68.68	
(ii) Gratuity (Funded)	621.85	549.55	468.62	
<b>Total</b>	<u>691.42</u>	<u>619.95</u>	<u>537.30</u>	

17. BORROWINGS				
(a) Secured Loans from Banks				
(i) Cash Credit Facilities				
(1) Allahabad Bank	-	-	4,312.35	
<b>Security:</b> Sugar Division: Secured by pledge of Sugar Stock and second pari passu charge on Fixed Assets of Sugar and Spirit Division <b>Spirit Division:</b> Secured by way of hypothecation of Current Assets of Sugar Division (except Sugar Stock) & Spirit Division and by second pari passu charge on Fixed Assets of Sugar & Spirit Division <b>Seed Division:</b> Secured by way of hypothecation of Current Assets of Seed Division and second pari passu charge on Fixed Assets of Sugar & Spirit Division				
(2) U. P. Co - Operative Bank	6,297.18	6,297.66	6,346.86	
<b>Security:</b> Secured by pledge of Stocks of Sugar and further secured by second pari passu charge on Fixed Assets of Sugar Division				
(b) Unsecured loans from Banks				
(as appearing in books)				
(1) UCO Bank	2,660.50	2,760.50	2,760.50	
(2) Allahabad Bank	-	-	2,000.00	
Rate of Interest in the range of 7% to 13.70%				
<b>Total</b>	<u>8,957.68</u>	<u>9,058.16</u>	<u>15,419.71</u>	

Details of Default in repayment of Principal Instalment & Interest		(₹ In Lakhs)
PARTICULARS		Banks
0-90 Days		72.83
90-180 Days		148.90
More Than 180 Days		3,188.29
<b>Total</b>		<u>3,410.02</u>

18. TRADE PAYABLES PARTICULARS	As at 31st March, 2018	As at 31st March, 2017	(₹ In Lakhs) As at 1st April, 2016
<b>For goods and services received</b>			
(a) Outstanding Dues to Micro and Small Enterprises (Ref Note No.33)	198.06	142.92	136.52
(b) Outstanding Dues of Creditors other than Micro and Small Enterprises	10,851.40	8,198.74	15,036.62
<b>Total</b>	<b>11,049.46</b>	<b>8,341.66</b>	<b>15,173.14</b>
<b>19. OTHER FINANCIAL LIABILITIES</b>			
<b>(a) Current maturities of Long Term Debts</b>			
(i) Current maturities of Long Term Debts - Secured Borrowings (Refer Note No 14)	3,869.74	3,116.37	4,025.86
(ii) Current maturities of Long Term Debts - Unsecured Borrowings (Refer Note No 14)	-	-	71.23
(b) Recalled Long Term Borrowings including Interest (Secured) (As appearing in the books)	13,364.66	11,912.24	-
(c) Recalled Short Term Borrowings including Interest (Secured) (As appearing in the books)	7,208.87	6,263.25	-
(d) Interest accrued but not due on Borrowings	161.39	182.04	434.29
(e) Interest accrued and due on Borrowings	2,059.02	1,046.56	465.95
(f) Other Advances	71.00	71.00	-
(g) Unpaid Dividends (Investor Education and Protection Fund will be credited by following amounts as and when due)	1.17	2.03	4.57
(h) Payables for Capital Goods	358.20	544.48	533.73
(i) Payables for Other Contractual Obligations	432.98	237.40	317.91
(j) Bank Account Book Overdraft	-	-	9.64
<b>Total</b>	<b>27,527.03</b>	<b>23,375.37</b>	<b>5,863.18</b>
<b>Details of Default in repayment of Principal Instalment &amp; Interest</b>			
			<b>(₹ In Lakhs)</b>
<b>PARTICULARS</b>			<b>Banks</b>
0-90 days			406.38
90-180 days			799.49
More than 180 days			13,320.43
<b>Total</b>			<b>14,526.30</b>
<b>20. SHORT TERM PROVISIONS</b>			
<b>Provision for Employees Benefits</b>			
(a) Gratuity (Funded)	90.30	83.45	89.38
(b) Leave Encashment (Unfunded)	30.69	32.01	25.78
<b>Total</b>	<b>120.99</b>	<b>115.46</b>	<b>115.16</b>
<b>21 OTHER CURRENT LIABILITIES</b>			
(a) Advance received from Customers	106.95	36.13	347.41
(b) Payable to Related Party (Refer Note No 36)	238.70	219.47	201.41
(c) Statutory Dues	110.27	352.14	495.46
	<b>455.92</b>	<b>607.74</b>	<b>1,044.28</b>
<b>22. CURRENT TAX LIABILITIES (NET)</b>			
Provision of Income Tax including Wealth Tax [Net of Advance Payment of Income Tax including Wealth Tax ₹113.53 Lakhs (P.Y. ₹ 116.36 Lakhs)]	17.93	17.53	15.27
<b>Total</b>	<b>17.93</b>	<b>17.53</b>	<b>15.27</b>

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23. INCOME FROM OPERATIONS		(₹ In Lakhs)	
PARTICULARS	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017	
(a) <b>Sale of Products</b>			
<b>Manufactured Goods</b>			
(i) Sugar	24,829.88	33,108.36	
(ii) Power	5,263.54	4,685.46	
(iii) Spirits	0.06	0.99	
(iv) By - Products	766.60	998.07	
Less: Transferred to Molasses & Alcohol Storage Reserves and Effluent Disposal Reserves	2.36	2.62	
	<b>30,857.72</b>	<b>38,790.26</b>	
(b) <b>Other Operating Revenue</b>			
(i) Scrap Sale	14.77	15.57	
(ii) Sale of REC	459.08	146.20	
(iii) Sundry Income	39.17	26.78	
Total Other Operating Revenue	<b>513.02</b>	<b>188.55</b>	
<b>Total</b>	<b>31,370.74</b>	<b>38,978.81</b>	
<b>24. OTHER INCOME</b>			
(a) Dividend Income	5.20	5.07	
(b) Interest Income			
(i) On Fixed Deposits	13.78	16.47	
(ii) Others	2.07	0.09	
(c) Rent	49.00	44.82	
(d) Credit Balance Written Back	73.94	88.75	
(e) Profit on Sale of Fixed Assets (Net)	5.16	-	
<b>Total</b>	<b>149.15</b>	<b>155.20</b>	
<b>25. COST OF MATERIAL CONSUMED</b>			
(a) <b>Raw Materials Consumed</b>			
(i) <b>Sugar Cane</b>			
Opening Stock	-	-	
Add: Purchases	30,673.77	20,975.98	
Less: Closing Stock	-	-	
Consumption	<b>30,673.77</b>	<b>20,975.98</b>	
(ii) <b>Molasses &amp; Spirits</b>			
Opening Stock	23.12	23.12	
Add: Purchases	-	-	
Less: Closing Stock	8.69	23.12	
Consumption	<b>14.43</b>	<b>-</b>	
(iii) <b>Raw Materials Consumed for Power</b>	<b>692.46</b>	<b>509.63</b>	
(b) <b>Packing Material Consumed</b>	315.34	229.62	
<b>Total</b>	<b>31,696.00</b>	<b>21,715.23</b>	

# KESAR ENTERPRISES LIMITED

PARTICULARS	(₹ In Lakhs)	
	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017
<b>25. EXCISE DUTY ON SALES</b>		
Excise Duty	61.18	1,682.00
<b>Total</b>	<b>61.18</b>	<b>1,682.00</b>
<b>26. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
<b>(a) Opening Stock</b>		
Finished Goods	919.01	6,519.75
Banked Power	43.02	40.43
Work- in - Progress	27.90	45.59
By Products	936.02	632.13
	<b>1,925.95</b>	<b>7,237.90</b>
<b>(b) Closing Stock</b>		
Finished Goods	6,136.76	919.01
Banked Power	5.49	43.02
Work- in - Progress	512.77	27.90
By Products	1,044.52	936.02
	<b>7,699.54</b>	<b>1,925.95</b>
<b>Total</b>	<b>(5,773.59)</b>	<b>5,311.95</b>
<b>28. EMPLOYEE BENEFIT EXPENSES</b>		
(a) Salaries and Wages	1,888.73	1,495.57
(b) Gratuity expenses	94.90	76.32
(c) Contribution to Provident fund	142.30	130.84
(d) Contribution to Superannuation scheme	8.46	7.06
(e) Staff Welfare	20.12	7.91
<b>Total</b>	<b>2,154.51</b>	<b>1,717.70</b>
<b>29. FINANCE COSTS</b>		
<b>(a) Interest Expense</b>		
(i) On Fixed Deposits	-	2.31
(ii) On Fixed Loans	2,175.38	1,993.31
(iii) On Cash Credit	1,805.59	1,649.22
(iv) On Short Term Loans	295.37	370.42
(b) Others including bank charges	40.32	37.16
<b>Total</b>	<b>4,316.66</b>	<b>4,052.42</b>

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PARTICULARS	(₹ In Lakhs)	
	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017
<b>30. OTHER EXPENSES</b>		
(a) Stores and Spares	291.07	177.74
(b) Power and Fuel	77.51	57.48
(c) Repairs		
(i) Plant and Equipments	515.98	355.77
(ii) Building	44.10	18.83
(iii) Others	69.67	38.82
(d) Rent	15.02	19.51
(e) Insurance	29.29	33.40
(f) Rates and Taxes	34.08	60.10
(g) Commission and Brokerage	47.14	133.37
(h) Legal Charges	97.94	87.34
(i) Loading and Unloading Charges	292.57	190.16
(j) Foreign Travelling Expenses	0.48	-
(k) Travelling Expenses	62.11	59.29
(l) Transportation and Freight & Forwarding	1.61	1.11
(m) Security and Other Labour Charges	61.45	61.04
(n) Directors Sitting Fees	4.40	4.20
(o) Auditors Remuneration		
(i) Audit Fees	4.20	4.20
(ii) For Certification	2.30	2.30
(iii) Out of Pocket Expenses	0.46	0.45
(p) Cost Audit Fees	0.75	0.52
(q) Provision for Doubtful Debts / Advances	150.58	669.06
(r) Loss on Sale / Discarded of Fixed Assets (net)	-	12.27
(s) Miscellaneous Expenses	114.95	144.88
<b>Total</b>	<b>1,917.66</b>	<b>2,131.84</b>

## 31. Contingent Liabilities

Claims / demands against the Company under litigation:

- (i) Claims against the company not acknowledged as debts in respect of criminal and civil cases ₹ 19.52 Lakhs (Previous Year ₹ 19.52 Lakhs)
- (ii) Disputed sales tax, entry tax, trade tax and excise duty cases under appeal – ₹ 9,269.19 Lakhs (Previous Year ₹ 8,265.16 Lakhs)

Particulars	(₹ In Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
Central Sales Tax	72.76	72.76
Entry Tax (U.P.)	1,270.18	1,163.18
Trade Tax (U.P.)	92.49	92.49
Excise Duty	7,816.48	6,910.97
Others	17.28	25.76
<b>Total</b>	<b>9,269.19</b>	<b>8,265.16</b>

32. Alcohol and Molasses Storage Reserves and Effluent Disposal Reserves amounting to ₹ 69.28 Lakhs (P.Y. ₹ 66.92 Lakhs) are not deposited with a Scheduled Bank, as required under Uttar Pradesh Sheera Niyantaran (Sansodhan) Adesh, 1974.
33. The Micro and Small Enterprises to whom amount was payable and outstanding for more than stipulated period (as per the terms & conditions of the orders) are as under:-

Particulars	(₹ In Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
The principal amount and the interest due thereon remaining unpaid to any supplier	198.05	142.92
The amount of Principal and interest paid beyond the appointed day	73.54	30.20
The amount of interest due and payable on delayed payments	27.51	12.69
The amount of interest accrued and remaining unpaid	78.31	51.78
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	0	0

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

#### 34. Employee Benefit

Defined Contribution Plans

The Company has recognised the following amounts in statement of Profit and Loss

Particulars	(₹ In Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
Employer's Contribution to Provident Fund	142.29	130.84
Employer's Contribution to Super Annuation Fund	8.46	7.06

#### Defined Benefit Plan

- (i) Gratuity (Funded)
- (ii) Leave Encashment (Non-funded)
- (i) **Gratuity (Funded)**

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

PARTICULARS	(₹ In Lakhs)	
	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017
(a) The amounts recognized in the balance sheet are as follows:		
Present Value of funded obligations	(764.89)	(713.94)
Fair Value of plan assets	52.74	80.94
Net liability		
(Amount shown in Balance Sheet as Liabilities)	(712.15)	(633.00)

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PARTICULARS	(₹ In Lakhs)	
	Defined Benefit (Gratuity) Plan For the year ended on 31st March, 2018	For the year ended on 31st March, 2017
(b) The amounts recognized in the statement of profit and loss are as follows:		
Current service cost	30.44	31.74
Interest on obligation	43.17	42.18
Past Service Cost	21.29	0
Expected return on plan assets	0	0
Net actuarial losses / (gains) recognized in year	0	0
Plan assets (Contributions) / transfers by employer	0	0
Total included in employee benefit expense	<u>94.90</u>	<u>73.92</u>
(c) Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:		
Opening defined benefit obligation	713.94	720.34
Service costs	30.44	31.74
Interest costs	48.69	54.46
Past Service Costs	21.29	0
Benefits paid	(67.61)	(84.07)
Actuarial (Gain/Losses on Obligation – Due to Change in Financial Assumptions	(39.46)	32.20
Actuarial (Gain/Losses on Obligation – Due to Expenses	57.60	(40.73)
Closing defined benefit obligation	<u>764.89</u>	<u>713.94</u>
(d) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:		
Opening fair value of plan assets	80.94	162.34
Expected return on plan assets	5.51	12.27
Assets transferred out/ divestment	10.67	(0.25)
Contributions	25.00	2.92
Benefits paid	(67.61)	(84.07)
Return on Plan Assets	(1.76)	(12.27)
Closing defined benefit obligation	<u>52.75</u>	<u>80.94</u>
The Company has invested in LIC Group Gratuity Scheme and hence the investment pattern is defined by LIC as per the Scheme.		
(e) The amount recognized in the other comprehensive Income (OCI) is as follows:		
Actual (Gains) / Losses on Obligation	18.14	(10.93)
Return Plan Assets	1.76	12.27
Net actuarial losses / (gains) recognized in OCI	<u>19.90</u>	<u>1.34</u>
(f) The Reconciliation of Balance Sheet in the statement are as follows:		
Opening net Liability	633.00	558.01
Expenses recognized in Statement of Profit or Loss	94.90	76.32
Expenses recognized in OCI	19.90	1.34
Net Liability Transfer	(10.67)	0.25
Employers Contribution	(25.00)	(2.92)
Net Liability/(Assets) Recognised in the Balance Sheet	<u>712.13</u>	<u>633.00</u>

(₹ In Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017
(g) The amount recognized Interest Cost in the statement are as follows:		
Present Value of Benefit Obligation	713.94	720.34
Fair Value of Plant Assets	(80.94)	(162.34)
Net Liability / (Assets) At the Beginning	633.00	558.00
Interest Cost	48.69	54.46
Interest Income	(5.52)	(12.27)
Net Interest cost for Current Period	43.17	42.19
(h) The amount Expenses recognized for in the statement of Profit or Loss for next year are as follows:		
Current Service Cost	30.53	30.44
Interest Cost	54.91	43.17
Expected Contribution by the Employees	0	0
Expenses Recognised	85.44	73.61
(i) Principal actuarial assumptions at the balance sheet date (expressed as weighted average):		
Discount rate	7.71%	6.82%
Salary escalation rate	6.00%	6.00%
Expected return on plan assets	7.71%	6.82%
Rate of Employees Turnover	2.00%	2.00%

(j) Amounts for the current and previous four years are as follows:

Particulars	(₹ In Lakhs)				
	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017	For the Period of Fifteen Months ended on 31st March, 2016	For the Period of Eighteen Months ended on 31st December, 2014	For the Year ended on 30th June, 2013
Defined benefit obligation	764.89	713.94	720.34	739.27	763.25
Plan assets	52.74	80.94	162.34	271.51	370.24
Surplus/ (deficit)	712.15	(633.00)	(558.00)	(467.76)	(393.01)

The Company expects to contribute ₹ 85.44 Lakhs to Gratuity fund in the next year.

(k) Experience					Adjustment:
On plan Liability (Gains)/ Losses	57.60	(40.73)	(38.13)	36.36	7.42
On plan Assets Gains/ (Losses)	(1.76)	(12.27)	(0.00)	(2.43)	0.19

**(ii) Other Employee Benefit**

The liability for leave entitlement as at March 31, 2018 is ₹100.26 (P.Y. ₹ 102.41) disclosed under Long Term Provision (Refer Note No. 16) and Short-Term Provision (Refer Note No. 20)



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## (iii) Sensitivity Analysis

The below sensitivity analysis is based on the change in an assumption while holding all other assumptions constant. In practice this unlikely to occur, and change in some of the assumptions may be correlated. When calculation the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet. The method and types of assumptions used in reporting the sensitivity analysis did not change compared to the prior period.

### Gratuity

A quantitative sensitivity analysis for significant assumed as at march 31 2018 and March 31, 2017 are as shown below.

Particulars	₹ In Lakhs	
	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017
Projected Benefit Obligation on Current Assumptions	764.89	713.94
Delta Effect of +1% Change in Rate of Discounting	(40.38)	(42.20)
Delta Effect of -1% Change in Rate of Discounting	44.58	44.85
Delta Effect of +1% Change in Rate of Salary Increase	44.85	47.69
Delta Effect of -1% Change in Rate of Salary Increase	(41.37)	(43.64)
Delta Effect of +1% Change in Rate of Employee Turnover	3.99	2.03
Delta Effect of -1% Change in Rate of Employee Turnover	(4.31)	(2.20)

- 1) The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as per company's scheme for Gratuity.
- 2) Gratuity is a defined benefit plan and company is exposed to the following risks:
 

Interest Risk	Interest rate risk: A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability
Investment Risk	The present value of defined benefit plan liability calculated using a discount rate which is determined by reference to marker yields as at the end of the reporting period on government bonds. If the return on plant assets is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Assets Liability Matching Risk	The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.
Mortality Risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration Risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

During the year, the company has changed the benefit scheme in lance with Payment of Gratuity Act, 1972 by increasing monetary ceiling from ₹10.00 Lakhs to ₹ 20.00 Lakhs. Change in liability (if any) due to this scheme change is recognized as past service cost.

## (iv) Leave Encashment (Non-funded)

The Company has recognised ₹ 9.27 Lakhs (P.Y. ₹ 15.97 Lakhs) in statement of Profit and Loss based on actuarial valuation.

## 35 Segmental Reporting Disclosures under Ind-AS 108

### Business Segments:

Based on the guiding principles given in Ind-AS 108 "Operating Segments" the Company's primary business segments are

- a. Sugar
- b. Power
- c. Spirits

Financial Information about the primary business segment:

Figures for the year ended 31st March, 2018 indicated in bold. Previous Period figures indicated in the row there below:

Particulars	Sugar	Power	Spirits	(₹ In Lakhs) Total
<b>(a) Revenue from Operations</b>				
Sales (Including Inter Division/ Segment Revenue and Net of Intra Division Revenue)	<b>31,165.34</b>	<b>10,471.38</b>	<b>0.06</b>	<b>41,636.78</b>
	37,966.25	8,499.85	3.34	46,469.44
Other Income	<b>93.80</b>	<b>12.76</b>	<b>5.06</b>	<b>111.62</b>
	44.91	10.34	24.79	80.04
Less: Inter Segment Revenue	<b>5,517.37</b>	<b>4,748.67</b>	<b>0</b>	<b>10,266.04</b>
	3,822.44	3,668.19	0	7,490.63
Add: Unallocable Income				<b>37.53</b>
				75.16
<b>Total Revenue</b>				<b>31,519.89</b>
				39,134.01
<b>(b) Segmental Results</b>				
Segmental Result before Interest, Exceptional Items & Tax	<b>(3,550.81)</b>	<b>4,091.46</b>	<b>(312.22)</b>	<b>228.43</b>
	3,007.99	2,974.84	(735.62)	5,247.21
Less: Finance Cost				<b>4,316.66</b>
				4,052.42
Less: Unallocable Expenses Net of Unallocable Income				<b>583.45</b>
				569.56
Less: Exceptional Items				<b>0</b>
				0
Profit /(Loss) Before Tax				<b>(4,671.68)</b>
				625.23
Less: Current Tax				<b>0</b>
				0
Less: Deferred Tax net of MAT				<b>0</b>
				9.05
Profit / (Loss) after Tax				<b>(4,671.68)</b>
				616.18
Other Comprehensive Income				<b>(688.04)</b>
				178.38
Profit / (Loss) after Other Comprehensive Income				<b>(5,359.72)</b>
				794.56

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Particulars				(₹ In Lakhs)
	Sugar	Power	Spirits	Total
<b>(c) Segmental Assets and Liabilities</b>				
(i) Segmental Assets	<b>23,656.39</b>	<b>24,302.02</b>	<b>7,713.28</b>	<b>55,671.69</b>
	21,907.30	24,657.68	7,946.07	54,511.05
Unallocable Assets/ Investments				<b>4,338.67</b>
				5,429.00
<b>Total Assets</b>				<b>60,010.36</b>
				59,940.05
(ii) Segmental Liabilities	<b>28,886.02</b>	<b>17,738.02</b>	<b>933.97</b>	<b>47,558.01</b>
	25,647.45	15,867.12	984.99	42,499.56
Share Capital & Reserves & Surplus				<b>10,345.07</b>
				15,702.42
Unallocable Liabilities				<b>2,107.28</b>
				1,738.07
<b>Total Liabilities</b>				<b>60,010.36</b>
				59,940.05
<b>(d) Capital Expenditure and Depreciation</b>				
(i) Capital Expenditure including Capital Work in Progress	<b>21.11</b>	<b>0</b>	<b>0</b>	<b>21.11</b>
	7.91	0	0	7.91
Unallocable				<b>0</b>
				0
<b>Total</b>				<b>21.11</b>
				7.91
(ii) Depreciation/ Amortization	<b>753.23</b>	<b>786.60</b>	<b>227.39</b>	<b>1,767.22</b>
	807.42	819.54	250.13	1,877.09
Unallocable Depreciation				<b>51.92</b>
				20.55
<b>Total Depreciation/ Amortization</b>				<b>1,819.14</b>
				1,897.64
(iii) Significant non-cash expenditure other than Depreciation/ Amortization				<b>(0)</b>
				0

Segment Revenue from Operations, Results, Assets and Liabilities and Depreciation include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

## 36. Related Party Disclosures as per Indian Accounting Standard 24

Names of related parties and nature of related party relationships:

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

Mr. H R Kilachand	Chairman & Managing Director
Relatives of Key Management Personnel:	
Mrs. M H Kilachand	Wife of Chairman & Managing Director
Mr. Rohan H Kilachand	Son
Mrs. Nidhi R Kilachand	Daughter in Law
Ms. Rohita H Kilachand	Daughter

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

Kesar Terminals & Infrastructure Limited  
 Kesar Multimodal Logistics Limited  
 Kesar Corporation Pvt. Ltd.  
 Kilachand Devchand & Co. Pvt. Ltd.  
 Indian Commercial Co. Pvt. Ltd.  
 India Carat Pvt. Ltd.  
 Seel Investments Pvt. Ltd.

- c) Others

Mr. M A Kuwadia Non-Executive Director  
 Mr. P N Dubey Non-Executive Director (upto 30.4.2018)  
 Mr. D J Shah Director & Company Secretary (Director upto 30.4.2018)

Disclosure of transactions between the Company and related parties and the status of outstanding balance as on 31st March, 2018 indicated in bold. Previous Year figures indicated in the row there below in brackets:

Particulars	(₹ In Lakhs)					
Nature of Transaction	Kesar Terminals & Infrastructure Ltd	Kilachand Devchand & Co. Pvt. Ltd.	Seel Investment P Ltd	Kesar Corporation P Ltd.	Kesar Multimodal Logistics Ltd	Others
Expenses Reimbursement	4.97 (14.72)	11.87 (13.20)			2.92 (2.82)	
Sharing of Common Expenses	89.43 (142.85)					
Dividend Received	5.20 (5.00)					
Sell of Investments/ Asset Allocation	2.50 (0)				0 (2.00)	
Advance given	50.00 (0)					
Advance Repaid	50.00 (0)					
Interest Received on Advance	1.31 (0)					
Rent Paid		17.38 (17.38)				
Sitting Fees						4.40 (4.20)
Remunerations (upto 25.1.2018)						35.93 (43.18)
<b>Closing Balance</b>						
Receivables	24.01 (40.30)					
Payables		238.70 (219.47)				0 (2.05)
Investments	50.00 (50.00)					
Long Term Borrowing			130.00 (130.00)	40.00 (40.00)		

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Key management personnel compensation in total and for each of the following categories:

## Employee Benefits

### Short Term Employee Benefits

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

### Post-Employment Benefits

#### Defined Contribution Plans

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

#### Defined Benefit Plans

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

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

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

## 37 Financial Risk Management Objectives and Policies

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

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

<b>Risk Management</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits
Liquidity Risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market Risk – Equity	Change in Equity Prices	Profit / Loss volatility	Strategic decision
Market Risk- Interest	Variable Rate Borrowing	Interest rate sensitivity	Mix of fixed versus floating rate

### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

### Trade receivables

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

On account of adoption of Ind-AS 109, the Company uses expected credit loss model to assess the impairment

loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

### Financial instruments and cash deposits

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

### Equity price risk

The Company's equity securities are held at Fair Value through Other Comprehensive Income and depending on the market opportunity, the company shall sell such investments.

Equity Price sensitivity	Impact on profit before tax			(₹ In Lakhs)
	This Year	Previous Year	Previous Year	
Equity Prices (quoted) – increase by 10%	132.86	203.30	203.43	
Equity Prices (quoted) – decrease by 10%	(132.86)	(203.30)	(203.43)	

### Interest rate risk

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

### Interest rate sensitivity

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

	Impact on profit before tax			(₹ In Lakhs)
	This Year	Previous Year	Previous Year	
Interest rate - increase by 100 basis points (100 bps)	(254.68)	(256.78)	(239.67)	
Interest rate - decrease by 100 basis points (100 bps)	254.68	256.78	239.67	

### Liquidity Risk

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

The table below provides details regarding the maturities of significant financial liabilities as of March 31, 2018, March 31, 2017 and March 31, 2016

Particulars				(₹ In Lakhs)
	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowing				
Year ended March 31, 2018	23,040.36	7,079.53	0	30,119.89
Year ended March 31, 2017	22,496.60	8,340.35	0	30,836.95
Year ended March 31, 2016	8,786.46	22,564.86	0	31,351.32

### Capital Management

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

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

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Particulars	(₹ In Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>Net Debt</b>			
Borrowing	30,119.89	30,836.95	31,351.32
Cash and Cash Equivalent	181.27	70.47	608.13
<b>Equity</b>			
Equity share capital	1,007.97	1,007.97	1,007.97
Other Equity	9,337.10	14,694.45	13,897.28
<b>Debt /Equity Ratio</b>	2.89	1.96	2.06

## 38. Financial Instruments by category

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

	March 31, 2018			March 31, 2017			March 31, 2016		
	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL
<b>Financial Assets</b>									
<b>Non-Current Investments</b>									
-Equity instruments	1.79	1328.60		4.28	2032.95		3.78	2,034.33	
-Loans	326.66			362.16			174.05		
-Other Financial Assets	164.02			164.94			162.39		
-Trade Receivable	2,894.43			3,728.77			3,400.22		
-Cash and Cash equivalent	181.27			70.47			608.13		
-Bank Balance	151.17			67.86			35.29		
-Loans	27.18			42.38			18.50		
-Other Current Asset	142.91			2,420.89			300.97		
<b>Total financial Asset</b>	<b>3,889.43</b>	<b>1328.60</b>		<b>6,861.75</b>	<b>2032.95</b>		<b>4,703.33</b>	<b>2,034.33</b>	
<b>Financial Liabilities</b>									
-Long Term Borrowings	782.35			2,042.70			11,886.49		
-Other Non-current liabilities	62.51			59.06			63.06		
-Short Term Borrowings	8,957.68			9,058.16			15,419.71		
-Trade payable	11,049.46			8,341.66			15,173.14		
-Other Financial Liabilities	27,527.03			23,375.37			5,863.18		
-Other Current Liabilities	455.92			607.74			1,044.28		
<b>Total financial liabilities</b>	<b>48,834.95</b>			<b>43,484.69</b>			<b>49,449.86</b>		

## 39 Fair Value Hierarchy

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table presents fair value hierarchy of financial assets and financial liabilities measured at fair value on a recurring basis:

Particulars	(₹ In Lakhs)		
	As at March 31, 2018	Level 1 As at March 31, 2017	As at March 31, 2016
Financial assets: Investments in equity shares (Quoted) at FVTOCI	1,328.60	2,032.95	2,034.33

**40 Disclosure in respect of Operating Lease in accordance with Ind-AS 17 on 'Leases'**

- a) The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:
- i) Not later than one year Nil (P.Y. ₹ Nil).
  - ii) Later than one year and not later than five years Nil (P.Y. ₹ Nil)
- b) Lease payments recognised in the statement of profit and loss during the period is ₹ 8.18 Lakhs (P.Y. ₹19.51 Lakhs).

**41 Supplementary statutory information**

Particulars	(₹ In Lakhs)	
	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017
(a) CIF value of Imports	0	0
(b) Expenditure in Foreign Currency (Foreign Travelling & Business Promotion Expenses)	0	0
(c) Amount payable in Foreign Exchange (Unhedged) Capital Goods USD (in Lakhs) ₹ (in Lakhs)	0 0	0 0

**42 Disclosure in respect of Earnings per Share in accordance with Ind-AS 33**

Particulars	For the year ended	
	on 31st March, 2018	on 31st March, 2017
Profit /(Loss) after tax (₹ in Lakhs)	(4,671.67)	616.18
Nominal value of equity shares (₹)	10	10
Weighted average no. of equity shares (Basic)	1,00,79,682	1,00,79,682
Earnings per equity share (Basic) (₹)	(46.35)	6.11
Weighted average no. of equity shares (Dilutive)	1,00,79,682	1,00,79,682
Earnings per equity share (Dilutive) (₹)	(46.35)	6.11

**43** Company has unabsorbed depreciation and carry forward losses under tax laws, on the consideration of prudence and in the absence of reasonable certainty supported by convincing evidence of sufficient future taxable income, deferred tax asset is not recognised by the Company

**44** Some of the credit facilities have been classified as Non-Performing Assets (NPA) by certain banks. However, the company has provided interest on accrual basis. Any difference on account of interest and penal interest shall be accounted for as and when the same is settled with the respective banks.

**45** Sugar cane purchase price for the season 2017-2018 is accounted at State Advisory Price (SAP) ₹ 325/- per quintal for early, ₹ 315/- per quintal for general and ₹ 310/- per quintal for rejected varieties vide Press Note No. 2489/46-3-17-3(48)/98-99 dated 26-10-2017 by the State Government of Uttar Pradesh.

**46** The Company has incurred huge cash loss due to mismatch between high Sugar Cane Price and low Sugar Sales realization. The net worth of the Company is eroded completely. The U.P. Sugar Industry has made representations to the U.P. State Government and the Company is hopeful for the revival of the Sugar Industry in near future and hence these financial statements have been prepared on a going concern basis, despite accumulated losses resulting in erosion of its net worth.

The Government of India has recently announced a package for improving the financial health of the Sugar Industry.

**47** According to the requirements of Schedule III of the Companies Act, 2013, sales for the period upto June 30, 2017, and the earlier periods presented in these financial results are inclusive of excise duty. Consequent to the applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, sales are shown net of GST in accordance with requirements of Ind-AS - 18 'Revenue'



# Annual Report 2017-2018

## 48 INCOME TAX

Since there is loss as per Books and as per Income Tax Act, no tax reconciliation between Tax on profit as per Books and Tax profit as per Income Tax Act.

## 49 FIRST TIME ADOPTION OF IND-AS

For all periods up to March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) Indian GAAP ("IGAAP"). These financial statements of Kesar Enterprises Limited for the year ended March 31, 2018 have been prepared in accordance with Ind-AS. This is the first set of Financial Statements in accordance with Ind-AS. For the purpose of transition from the GAAP to Ind-AS, the Company has followed guidance provided in Ind-AS 101 - First Time Adoption of Indian Accounting Standards, w.e.f. April 01, 2015 as the transition date.

The transition to Ind-AS has resulted in changes in the presentation of the financial statements, disclosures in the notes, accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended on March 31, 2018 as well as for March 31, 2017 for comparative information. In preparing these financial statements, opening balance sheet was prepared as at 1 April 2016. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended March 31, 2017.

Exemptions on first time adoption of Ind-AS availed in accordance with Ind-AS 101, have been described below:

### **Exemptions availed on first time adoption of Ind-AS 101**

Ind-AS 101 allows certain optional exemptions and mandatory exemptions on first time adoption of Ind-AS from the retrospective application of certain provisions of Ind-AS. The Company has accordingly applied the following exemptions:

#### **IND-AS optional exemptions:**

- (i) Property, Plant and Equipment and Intangible Assets

Ind-AS 101 permits, a first-time adopter to elect to continue with the carrying values for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind-AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind-AS 38 Intangible Assets and Investment properties covered by Ind-AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, Investment properties and intangible assets at their previous GAAP carrying value except Land, Building and Plant and equipments which are carried at revalued amount.

#### **Ind-AS mandatory exceptions:**

- (i) **Estimates**

An entity's estimates in accordance with Ind-AS at the date of transition to Ind-AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind-AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind-AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

- (ii) **Classification and measurement of financial assets**

Ind-AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind-AS.

Accordingly, the Company has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition.

# KESAR ENTERPRISES LIMITED

## Reconciliation of equity as at March 31, 2017 and April 1, 2016

(₹ In Lakhs)

PARTICULARS	Note No.	As at March 31, 2017			As at April 1, 2016		
		Indian GAAP	Effects of Transaction under Ind-AS	Ind-AS	Indian GAAP	Effects of Transaction under Ind-AS	Ind-AS
<b>I ASSETS</b>							
1 Non - Current Assets							
(a) Property, Plant & Equipments	1	48,428.23	113.94	48,542.17	42,579.35	7,879.04	50,458.39
(b) Capital Work - in - Progress		7.91		7.91	7.91		7.91
(c) Intangible Assets		5.29		5.29	6.78		6.78
(d) Financial Assets							
(i) Investments	2	54.53	1,982.70	2,037.23	54.46	1,983.65	2,038.11
(ii) Loans		67.52		67.52	174.05		174.05
(iii) Other Non Financial Assets		164.94		164.94	162.39		162.39
(e) Deferred Tax Assets (Net)		16.94		16.94	16.94		16.94
(f) Other Non-Current Assets		277.70		277.70	213.64		213.64
2 Current Assets							
(a) Inventories		2,489.98		2,489.98	7,581.52		7,581.52
(b) Financial Assets							
(i) Trade Receivables	3	3,804.87	(76.10)	3,728.77	3,469.61	(69.39)	3,400.22
(ii) Cash and Cash equivalents		70.47		70.47	608.13		608.13
(iii) Bank Balance other than Cash and Cash equivalents above		67.86		67.86	35.29		35.29
(iv) Other Finance assets		42.38		42.38	18.50		18.50
(c) Other - Current Assets		2,420.89		2,420.89	300.97		300.97
<b>Total</b>		<b>57,919.51</b>	<b>2,020.54</b>	<b>59,940.05</b>	<b>55,229.53</b>	<b>9,793.30</b>	<b>65,022.84</b>
<b>II EQUITY AND LIABILITIES</b>							
1 Equity							
(a) Equity Share Capital		1,007.97		1,007.97	1,007.97		1,007.97
(b) Other Equity	1,2,3,4,5	12,673.91	2,020.54	14,694.45	4,084.82	9,812.46	13,897.28
2 Non - Current Liabilities							
(a) Financial Liabilities							
Borrowings	4	2,042.70		2,042.70	11,905.65	(19.16)	11,886.49
(b) Other Non - Current Liabilities		59.06		59.06	63.06		63.06
(c) Provisions	5	619.95		619.95	537.30		537.30
3 Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings		9,058.16		9,058.16	15,419.71		15,419.71
(ii) Trade Payables		8,341.66		8,341.66	15,173.14		15,173.14
(iii) Other Financial Liabilities		23,375.37		23,375.37	5,863.18		5,863.18
(c) Short Term Provisions		115.46		115.46	115.16		115.16
(d) Other Current Liabilities		607.74		607.74	1,044.28		1,044.28
(e) Current Tax Liabilities (Net)		17.53		17.53	15.27		15.27
<b>Total</b>		<b>57,919.51</b>	<b>2,020.54</b>	<b>59,940.05</b>	<b>55,229.54</b>	<b>9,793.30</b>	<b>65,022.84</b>

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The previous GAAP numbers have been reclassified to conform to Ind-AS presentation requirements for the purpose of this note.

## Notes

The major reasons for adjustments in Previous GAAP numbers are as under:

### 1 Property, Plant & Equipments

On transition to Ind-AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP as the deemed cost of the property, plant and equipment except Land, Building and Plant & Equipments are carried at revalued amount.

### 2 Investment Equity Shares

Investments under Amortised Cost category are initially measured at purchase price plus transaction cost if material. Investments under FVTOCI and FVTPL are measured at fair value being the purchase price of the security. Transaction cost which are not material are expensed out.

Subsequent measurement of Amortised Cost category is at Amrtised Cost, while for FVTOCI and FVTPL, it is at fair value. The change is fair value in FVTOCI is recognized in the OCI, while the change in fair in FVTPL is recognized in Profit and Loss account.

### 3 Trade Receivables

Under Ind-AS, impairment allowance has been determined based on Expected Credit Loss model (ECL). Accordingly, trade receivables have been reduced by 76.10 Lakhs with a corresponding decrease in retained earnings of 6.71 Lakhs

### 4 Borrowings

In the financial statements prepared under previous GAAP, the carrying value of interest free loan was recognised at the principal amount payable by the Company. Under IND-AS interest free borrowing being a financial liability is required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 5 Actuarial gains/losses on defined benefit obligation

The Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the actuarial gains and losses on gratuity are charged to the statement of profit and loss. Under Ind AS, such actuarial gains or losses are required to be recognised in other comprehensive income. Accordingly, actuarial losses for financial year 2016-17 amounting to Rs 1.34 Lakhs are re-classified from statement of profit and loss to other comprehensive income. There is no impact on total equity as a result of this adjustment.

## Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

Particulars	Note No.	(₹ In Lakhs)		
		Indian GAAP	Effects of Transaction under Ind-AS	Ind-AS
<b>I. REVENUE</b>				
Income from Operations		38,978.81		38,978.81
<b>II. Other Income</b>	1	333.19	(177.99)	155.20
<b>III. Total Revenue (I + II)</b>		39,312.00	(177.99)	39,134.01
<b>IV. EXPENSES</b>				
Cost of Materials Consumed		21,715.23		21,715.23
Excise Duty on Sale of Goods		1,682.00		1,682.00
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade		5,311.95		5,311.95
Employee Benefits Expense	2	1,716.36	1.34	1,717.70

Particulars	Note No.	Indian GAAP	Effects of Transaction under Ind-AS	(₹ In Lakhs) Ind-AS
Finance Costs	3	4,033.26	19.16	4,052.42
Depreciation and Amortization Expense		1,897.64	-	1,897.64
Other Expenses	4	2,125.13	6.71	2,131.84
Total Expenses		38,481.58	27.21	38,508.78
<b>V Profit before Exceptional Items &amp; Tax (III- IV)</b>		<b>830.42</b>	<b>(205.20)</b>	<b>625.23</b>
<b>VI Exceptional Items</b>		<b>-</b>		<b>-</b>
<b>VII Net Profit/(Loss) Before Tax (III-IV)</b>		<b>830.42</b>	<b>(205.20)</b>	<b>625.23</b>
<b>VIII Tax Expense:</b>				
(a) Current Tax		-		-
(b) Deferred Tax net of MAT		9.05		9.05
<b>IX Profit / (Loss) for the Period (VII-VIII)</b>		<b>821.37</b>	<b>(205.20)</b>	<b>616.18</b>
<b>X Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to profit or loss.	5	-	178.38	178.38
(ii) Income tax relating to items that will not be reclassified to profit or loss.				
B (i) Items that will be reclassified to profit or loss.		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss.				
<b>XI Net Profit/(Loss) for the Period (IX+X)</b>		<b>821.37</b>	<b>(26.82)</b>	<b>794.56</b>

The previous GAAP numbers have been reclassified to conform to Ind-AS presentation requirements for the purpose of this note

## Notes

### 1 Sale of Investments

As per requirement of Ind-AS 109 profit on sale of investment of ₹ 177.99 Lakhs reduced from other income and recognised under Other Comprehensive Income

### 2 Actuarial gains/losses on defined benefit obligation

The Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the actuarial gains and losses on gratuity are charged to the statement of profit and loss. Under Ind AS, such actuarial gains or losses are required to be recognised in other comprehensive income. Accordingly, actuarial losses for financial year 2016-17 amounting to Rs 1.34 Lakhs are re-classified from statement of profit and loss to other comprehensive income. There is no impact on total equity as a result of this adjustment.

### 3 Finance Cost

Ind-AS required transaction cost incurred towards origination of borrowing to be deducted from the carrying amount of borrowing on initial recognition. These costs are recognised in the statement of profit or loss over the tenure of the borrowing as part of the interest expenses by applying the effective interest method

### 4 Provision for Expected Credit Loss

As per Ind-As 109 the company has required to apply expected credit loss model for recognising the allowances for doubtful debts. As a result, the allowances for doubtful debts are increased by ₹ 6.71 and the same added and recognised in "Other Expenses"

# Annual Report 2017-2018

## 5 Other Comprehensive Income (OCI)

Under Ind-AS, all items of income and expenses recognised in the period should be included in profit or loss statement for the period, unless a standard requires or permits otherwise. Items of Income or expenses that are not recognised in statement profit or loss, are shown in the statement of profit or loss as 'other comprehensive income' includes remeasurement of define employees' benefits plans. The amount related to remeasurement of defined employees benefit plan of ₹ 1.34 Lakhs, sale of investment ₹ 177.99 Lakhs and reduction in fair value of investment ₹ 0.95 Lakhs

**Impact of Ind-AS adoption of the statement of cash flows for the year ended March 31, 2017**

Particulars	(₹ In Lakhs)		
	Indian GAAP*	Effect of Transaction under Ind-AS	Ind-AS
Net cash flow from operation activities	1,992.17	197.15	2,189.32
Net cash flow from investing activities	204.38	(177.99)	26.39
Net cash flow from financing activities	(2,736.75)	(19.17)	(2,755.92)
Net increase/(decrease) in cash and cash equivalents	(537.66)	0	(537.66)
Cash and cash equivalents as at April 1, 2016	608.13	0	608.13
Cash and cash equivalents as at April 1, 2017	70.47	0	70.47

The previous GAAP numbers have been reclassified to conform to Ind-AS presentation requirements for the purpose of this note.

50 Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new Standard Ind-AS 115 "Revenue from Contracts with Customers" which is effective from April 1, 2018. The core principle of Ind-AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind-AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind-AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind-AS 115 is expected to be insignificant.

51 The previous period figures have been regrouped and re-casted wherever necessary.

As per our report of even date

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

**Sumant Sakhardande**

Partner

Membership No. 034828

Place: Mumbai

Date: 13th June, 2018

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

**H R KILACHAND**

Chairman & Managing Director

DIN:00294835

**ANIL RUIA**

Director

DIN 00296622

**ROHIT BALU**

Chief Financial Officer Sr. Vice President (Legal) &

Company Secretary

## STATEMENT SHOWING PRODUCTION AND YIELD IN SUGAR

SEASON	DURATION DAYS	CANE CRUSHED M. TONS	SUGAR PRODUCED M. TONS	RECOVERY % OF CANE CRUSHED
2000-2001	143	6,44,521.60	64,298.00	9.89
2001-2002	184	8,34,412.60	81,970.40	9.82
2002-2003	189	9,38,038.60	93,863.00	10.00
2003-2004	150	8,08,601.17	79,866.50	9.88
2004-2005	158	8,52,942.80	84,010.00	9.90
2005-2006	155	8,38,468.80	79,114.00	9.43
2006-2007	194	11,48,799.60	1,14,843.00	10.00
2007-2008	163	9,77,982.72	1,04,201.00	10.67
2008-2009	111	5,61,509.25	52,364.00	9.35
2009-2010	119	6,93,771.98	65,170.00	9.38
2010-2011	116	7,38,041.20	71,811.00	9.68
2011-2012	148	9,31,902.00	88,761.00	9.48
2012-2013	136	8,58,008.00	78,105.00	9.14
2013-2014	98	5,88,836.00	51,632.60	8.77
2014-2015 (upto December 2014)	30	1,87,040.00	17,960.40	9.60
2014-2015 ( Jan 2015 to Mar 2015)	77	4,30,691.00	42,197.00	9.80
2015-2016	89	4,44,713.62	45,725.00	10.28
2016-2017	117	6,50,899.84	70,482.00	10.83
2017-2018	149	9,12,500.00	96,345.60	10.56

## STATEMENT SHOWING PRODUCTION AND YIELD IN DISTILLERY

Year	Production (Litres)	Yield per Quintal of Molasses (Litres)
2000-01	1,28,35,127	21.40
2001-02	1,22,80,300	21.00
2002-03	1,29,54,000	21.16
2003-04	1,15,52,050	24.12
2004-05	1,12,74,630	22.58
2005-06	1,47,65,450	22.98
2006-07	1,64,12,783	23.22
2007-08	1,62,74,637	22.70
2008-09	1,14,14,558	22.99
2009-10	74,58,803	23.12
2010-11	1,31,41,901	23.00
2011-12	1,12,23,029	22.60
2012-13	85,06,467	22.41
2013-14	1,15,75,401	22.76
2014-15 (upto December 2014)	12,38,192	22.24
2014-15 (Jan 15 to Mar 15)	2,38,074	23.55
2015-16	7,36,798	22.49
2016-17	0	0
2017-18	0	0

# Annual Report 2017-2018

## FINANCIAL STATISTICS FROM 2007-2008 TO 2017-2018

Period/ Year end position	₹ In Lakhs)										
	2017-2018	2016-2017	2015-2016 (15 Months)	2013-2014 (18 Months)	2012-2013	2011-2012	2010-2011	2009-2010 \$	2008-2009	2007-2008	
Period	1.4.17- 31.3.18	1.4.16- 31.3.17	1.1.15-31.3.16	1.7.13- 31.12.14	1.7.12-30.6.13	1.7.11+30.6.12	1.7.10- 30.6.11	1.7.09- 30.6.10	1.7.08- 30.6.09	1.7.07- 30.6.08	
Share Capital	1,007.97	1,007.97	1,007.97	999.92	862.02	679.02	679.02	679.02	746.92	746.99	
Other Equity	9,337.10	14,694.45	4,084.82	9,392.57	*22,176.28	* 23,733.70	2,518.53	2,230.11	3,517.44	2,848.42	
Deferred Tax Liability/ Assets	-	-	-	(378.84)	(378.84)	(378.84)	24.84	345.83	650.79	634.95	
Borrowings	30,119.89	30,819.79	31,422.45	33,832.45	43,090.64	34,956.36	20,824.08	25,135.42	16,420.60	17,097.70	
Working Capital	19,470.98	18,960.01	(6,133.26)	(1,278.73)	17,132.52	11,276.43	14,819.70	21,886.08	11,935.84	13,084.11	
Total Capital Employed	60,010.36	59,940.05	55,229.54	58,283.08	80,206.81	72,539.62	24,246.47	28,590.38	21,535.75	21,528.06	
Gross Block	66,210.43	*66,027.66	* 58,763.41	* 58,652.13	* 59,336.79	* 37,767.26	15,183.32	15,280.52	19,546.13	16,714.42	
Net Block	46,731.33	*47,100.91	* 42,586.13	* 44,997.85	* 48,551.27	* 28,857.03	5,795.90	6,036.20	9,102.09	6,997.99	
Investments	1,330.39	2,037.23	54.46	54.95	54.95	54.95	52.70	52.44	52.49	7.00	
<b>Equity Shares</b>											
Book Value (₹)	102.63	155.78	* 50.53	* 104.10	* 267.26	* 359.53	47.09	42.84	62.80	52.94	
Face Value (₹)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
<b>For the Year</b>											
Sales including Excise Duty	31,370.74	38,978.81	37,734.84	74,954.17	47,254.60	46,303.48	49,620.98	26,638.70	29,505.78	29,161.56	
Depreciation	1,819.14	1,897.64	2,582.51	2,354.74	1,461.63	558.29	583.10	579.79	738.79	661.19	
Profit Before Tax	(5,359.71)	794.56	(4,905.21)	(12,001.95)	(1,668.20)	(937.97)	42.73	224.59	1,089.84	156.53	
Profit After Tax	(5,359.71)	794.56	(5,322.23)	(12,001.95)	(1,668.20)	(1,998.50)	361.74	239.30	904.39	381.36	
Equity Dividend %	-	-	-	-	-	-	10%	10%	30%	5%	
Equity Dividend (Rs in Lakhs)	-	-	-	-	-	-	67.90	67.90	203.70	33.95	

\$ Excluding Storage Division figure due to Demerger of Storage Division into Kesar Terminals and Infrastructure Limited w.e.f. 1-1-2009.

\* Including Revaluation Reserve.

# **KE** KESAR ENTERPRISES LIMITED

CIN: L24116MH1933PLC001996

Registered Office : Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai – 400 020

E-mail: headoffice@kesarindia.com, Tel: 022-22042396, Fax: 022-22876162

## Form No. MGT 11

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### 83RD ANNUAL GENERAL MEETING ON AUGUST 14, 2018

Name of Member(s)		E-mail Id:	
Registered Address		Folio No. / *Client Id	
		*DP Id	

I / We, being the Member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

(1) Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address \_\_\_\_\_

Signature \_\_\_\_\_ or failing him / her

(2) Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address \_\_\_\_\_

Signature \_\_\_\_\_ or failing him/ her

(3) Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address \_\_\_\_\_

Signature \_\_\_\_\_ or failing him / her

as my /our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **83rd Annual General Meeting** of the Company, to be held on **Tuesday, August 14, 2018 at 11:00 a.m. at M C Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.	Resolutions	Vote	
		For	Against
1.	Adoption of audited Financial Statements for the year ended 31.3.2018 alongwith Report of the Board of Directors and Auditors thereon.		
2.	Reappointment of Shri H R Kilachand who retires by rotation		
3.	Ratification of remuneration of Rishi Mohan Bansal, Cost Auditor of the Company.		
4.	Special Resolution for appointing Shri A S Ruia as an Independent Director of the Company		
5.	Special Resoultion for retification of appointment of Shri D J Shah as a Whole Time Director of the Company from 27.01.2018 to 30.04.2018.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2018

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix Re. 1  
Revenue  
Stamp

#### NOTE:

- 1) **This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- 2) **The proxy need not be a member of the Company.**
- 3) A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

\*Applicable for investors holding shares in electronic form.





# **KE** KESAR ENTERPRISES LIMITED

CIN: L24116MH1933PLC001996

Registered Office : Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai – 400 020

E-mail: headoffice@kesarindia.com, Tel: 022-22042396, Fax: 022-22876162

## **ATTENDANCE SLIP** (To be presented at the entrance of the Meeting Hall)

**I hereby record my presence at the 83rd Annual General Meeting of the Company, to be held on Tuesday, 14th August, 2018 at 11:00 a.m. at the M C Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001**

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

### **ELECTRONIC VOTING PARTICULARS**

Electronic Voting Sequence Number (EVSN)	180711009
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Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

#### **Note:**

1. Please read the instructions printed in Note No.(I) to the Notice of 83rd Annual General Meeting dated June 13, 2018.
2. The Voting period starts from on Friday, August 10, 2018 9:00 a.m. and ends on Monday, August 13, 2018 at 05:00 p.m.
3. The voting module shall be disabled by CDSL for voting thereafter.
4. Only Member / Proxyholder can attend the Meeting.
5. Member / Proxyholder should bring his / her copy of the Annual Report for reference at the Meeting.

\* Applicable for investors holding shares in electronic form.

## **Route Map to the venue of the AGM**







*If undelivered please return to:*

**KESAR ENTERPRISES LIMITED**

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