

84th Annual Report  
2018-19

**KESAR ENTERPRISES LIMITED**

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# **KESAR ENTERPRISES LIMITED**

(Incorporated under the Indian Companies Act VII of 1913)

CIN: L24116MH1933PLC001996

<b>BOARD OF DIRECTORS</b>	H R KILACHAND	Chairman & Managing Director
	A S RUIA	Independent Director [w.e.f. 30.04.2018]
	P N DUBEY	Independent Director [upto 30.04.2018]
	M A KUVADIA	Independent Director
	MS. BHUMIKA BATRA	Independent Director [From 14.08.2018 to 22.07.2019]
	D J SHAH	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>	M/s. 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. C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083.	
<b>AUDIT COMMITTEE MEMBERS</b>	A S RUIA	Chairman of the Committee Independent Director [w.e.f.30.04.2018]
	P N DUBEY	Chairman of the Committee Independent Director [upto 30.04.2018]
	M A KUVADIA	Member of the Committee Independent Director
	H R KILACHAND	Member of the Committee Chairman & Managing Director

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## NOTICE

NOTICE is hereby given that the **84th** Annual General Meeting of the Members of **KESAR ENTERPRISES LTD.** will be held on **Friday, 20th September, 2019 at 3:30 pm at M C Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400001** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2019 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.75,000/- (Rupees Seventy Five Thousand Only) 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, 2020, 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 the prescribed forms with the Registrar of Companies.”

4. 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 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including, any statutory amendment, modification or re-enactment thereof and other requisite approvals as may be necessary, approval be and is hereby granted for the reappointment of Shri H R Kilachand as a Whole-Time Director designated as “Chairman & Managing Director” of the Company, entrusted with substantial powers of the Management, for a period of 3 years from 14.8.2019 to 13.8.2022, on a remuneration as per Schedule V of the Act, and on the terms and conditions as specifically set out below, subject however to prior approval of the Lending Banks, if required:

#### I. SALARY:

- [A] In any financial year, if the Company has sufficient Net Profit (calculated as per Section 198 of the Act) in any financial year:

Salary of any amount upto 5% of the Net Profit of the Company as may be decided by the Board based on the performance of the Company inclusive of incentives for each financial year or part thereof computed in the manner as laid down under Section 198 of the Companies Act, 2013;

OR

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

Salary Rs.5,00,000/- per month or Rs.60,00,000/- per annum [or any higher limit as may be revised from time to time under the Act] inclusive of the following Perquisites as Minimum Remuneration as per Para (B) of Schedule V.

## II. PERQUISITES:

Shri H R Kilachand shall be entitled to House Rent Allowance not exceeding 60% of the salary, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules within the ceiling limits payable to Shri H R Kilachand, subject however to the limit of overall Minimum Remuneration as prescribed under Schedule V.

Shri H R Kilachand shall further be eligible to the following perquisites also which shall not be included in the computation of the ceiling limit on remuneration by way of salary, perquisites, allowances etc, in the event of the Company having no profits or its profits are inadequate:

- i. The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent is not taxable under the Income Tax Act;
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- iii. Encashment of leave at the end of the tenure.

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

**"RESOLVED FURTHER THAT** the aforesaid remuneration would nevertheless be paid and allowed to Shri H R Kilachand as the minimum remuneration, within the overall ceiling limits specified in Schedule V to the Companies Act, 2013 or any amendments thereto from time to time, notwithstanding that in any financial year of the Company during the tenure of office of Shri H R Kilachand, the Company might have made no profits or its profits might be inadequate."

**"RESOLVED FURTHER THAT** Shri H R Kilachand would be regarded as a Director liable to retire by rotation, till such time the Company appoints any Non-Independent Director on the Board."

**"RESOLVED FURTHER THAT** the payment of above remuneration shall also be subject to Section V of Schedule V of the Act, which provides that subject to the provisions of Sections I, II & IV of Part II of Schedule V, Shri H R Kilachand shall draw remuneration from the Company and/or from M/s. Kesar Terminals & Infrastructure Ltd. (KTIL) in which Shri Kilachand is appointed as Executive Chairman, provided that the total remuneration drawn and retained by Shri Kilachand from both the Companies shall not exceed the higher maximum limit admissible from any one of the Companies."

**"RESOLVED FURTHER THAT** the amount of remuneration to be paid by each Company will be decided by the Board of both the Companies from time to time considering the higher maximum limit admissible from any one of the Company i.e. the Company or KTIL."

**"RESOLVED FURTHER THAT** in the event of any settlement, as and when arrived at with the Lenders, the Board of Directors be and is hereby authorised to decide the payment of remuneration to Shri H R Kilachand within the prescribed ceiling limit of Schedule V of the Act."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

14th August, 2019

By Order of the Board of Directors

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

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## 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 **Friday, 13th September, 2019 to Friday, 20th September, 2019** (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 2010-11 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 Company has not declared any dividend after the Financial Year 2010-11.
- 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 C 101, 247 Park, L BS Marg, Vikhroli (West), Mumbai - 400 083 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 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) 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 from the Company electronically. Hence, kindly provide your email address for serving by electronic mode the notice/documents 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 **support@sharexindia.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 facility to exercise their right to vote at the 84th 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 shareholders voting electronically are as under:**

- (i) The voting period begins on Monday, 16th September, 2019 at 9:00 a.m. and ends on Thursday, 19th September, 2019 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in

dematerialized form, as on the cut-off date of Friday, 13th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

- (ii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iii) Click on Shareholders.
- (iv) Now 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 sequence number which is printed on Postal Ballot / Attendance Slip indicated 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. <ul style="list-style-type: none"> <li>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).</li> </ul>

- (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 the **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 a print of the votes cast by clicking on **“Click here to print”** option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

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- (xix) 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 linked in the login should be mailed to **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**, under help section or write an email to **helpdesk.evoting@cdslindia.com**.
- (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 / Secretary of the Company.
- (xxiii) 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** 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.

## ANNEXURE TO THE NOTICE

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

#### Items No.3 – 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.

The Board, on the recommendations of the Audit Committee, has approved the appointment and payment of remuneration of Rs.75,000/- (Rs.50,000/- for previous year) to Rishi Mohan Bansal, Cost Accountant, Kanpur (Regn. No.000022), as Cost Auditor for conducting the cost audit of cost records of the Company relating to Sugar & Industrial Alcohol and Electricity for the year ending 31st March, 2020.

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 for your approval.

#### Items No.4 – Reappointment of Shri H R Kilachand as Whole-Time Director:

The last reappointment of Shri H R Kilachand, Chairman & Managing Director was made at the 81st Annual General Meeting held on 11.08.2016 for a period of 3 years with effect from 14.8.2016 to 13.8.2019, on a remuneration in accordance with Schedule V to the Companies Act, 2013 as amended. However, Shri H R Kilachand has not been drawing any remuneration voluntarily from the Company since March 2014 in view of the heavy losses suffered by the Company for the last few years.

The existing term of appointment of Shri H R Kilachand as Chairman & Managing Director was up to 13.8.2019, which required his reappointment on or before 13.8.2019 on such remuneration as may be approved by the Nomination & Remuneration Committee and the Board of Directors.

Hence, at the meetings held on 17.05.2019, the Nomination & Remuneration Committee and the Board of Directors have approved reappointment of Shri H R Kilachand as the Whole-Time Director designated as Chairman & Managing



Director of the Company for a period of 3 years with effect from 14.8.2019 to 13.8.2022 and have also approved his remuneration as specified in the proposed Special Resolution, as per Section 197 read with Schedule V, subject to your approval. Since the Company has made a loss in the previous financial year, the Company can pay remuneration within the ceiling limit calculated on the basis of Effective Capital of Company. The present Effective Capital of Company is negative, therefore, the maximum limit of remuneration can be paid is Rs.5.00 lakh per month or Rs.60 lakh per annum. However, the Company has made default in repayment of its debts to the Banks for a continuous period of (30) thirty days in the preceding financial year.

Hence, the Company is required to obtain prior approval of the Banks. The Company has sought the approval of the Banks and the same is awaited. Till such time, the Banks respond to the said request, the Company will not pay any remuneration to Shri Kilachand. However, in the event of any settlement, as and when arrived at with the Lenders, the Board of Directors will decide the payment of remuneration to Shri H R Kilachand within the prescribed ceiling limit of Schedule V of the Act.

While considering the reappointment, the Board has taken into account relevant provisions of the Companies Act, 2013, financial position of the Company, trend in the Industry, his qualification, experience, past performance, past remuneration, etc. and brought about objectivity in determining his remuneration package while striking a balance between the interest of the Company and the Shareholders.

**A brief profile of Shri H R Kilachand is as under:**

<b>DIN</b>	00294835
<b>Birth Date</b>	4.5.1960
<b>Nationality</b>	Indian
<b>Reappointment by Board</b>	17.05.2019
<b>Qualification</b>	B.Com. from University of Bombay and C.B.M. & P.D.B.M., U.S.A.
<b>Experience</b>	<p>He had joined Kesar Enterprises Ltd. (KEL) 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, the Power Plant for Cogeneration 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 Kesar Terminals &amp; Infrastructure Ltd. [KTIL] i.e. from 14.09.2010, he worked as the Executive Chairman of KTIL till 29.04.2016. During that period, he contributed a lot in the growth of the Company. He could manage to get for KTIL 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. However, he has once again joined KTIL as an Executive Chairman w.e.f. 20.12.2017.</p>
<b>Relationship</b>	Key Managerial Personnel
<b>Shareholding</b>	5,73,976 (5.69%) Shares Equity Shares
<b>Relationship with other Director</b>	–
<b>List of other Directorship</b>	<p>Kesar Terminals &amp; Infrastructure Ltd.                      Kesar Multimodal Logistics Ltd.                      Kesar Corporation Pvt. Ltd.                      Indian Commercial Co. Pvt. Ltd.                      Seel Investment Private Ltd. (w.e.f. 21.02.2019)                      Kilachand Devchand &amp; Company Private Ltd.                      Kilachand Devchand Commercial Private Ltd.                      India Carat Pvt. Ltd. (upto 15.02.2019)</p>

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Shri H R Kilachand has also been appointed as a Whole-Time Director designated as “Executive Chairman” of M/s. Kesar Terminals & Infrastructure Ltd. [KTIL], entrusted with substantial powers of the Management, for a period of 3 years from 20.12.2017 to 19.12.2020 on remuneration as per Schedule V to the Companies Act.

Hence, as per Section 197, the Company proposes to appoint Shri H R Kilachand as the Chairman & Managing Director, since he is also the Executive Chairman of M/s. Kesar Terminals & Infrastructure Ltd. [KTIL] and also as per Schedule V to the Companies Act, 1956, the total remuneration drawn and retained by Shri H R Kilachand from both the Companies shall not exceed the higher maximum limit admissible from any one of the Companies i.e. the Company or KTIL.

The following additional information as required by Section II of Part II of Schedule V to the Companies Act, 2013 are given below:

<b>I</b>	<b>General Information</b>		
	1	Nature of industry	Sugar Industry
	2	Date or expected date of commencement of commercial production	16th October,1933
	3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.
	4	Financial performance based on given indicators as per audited financial results for the year ended 31.03.2019 is as under: Turnover & Other Income Net Loss as per Profit & Loss Account Profit as computed under Section 198 of the Companies Act, 2013 Net worth (Excluding Revaluation Reserves)	40,503.36 Lakh 4,022.38 Lakh – (20,495.19) Lakh
	5	Foreign investments or collaborations, if any.	–
<b>II</b>	<b>Information about the appointee:</b>		
	1	Background details	He had joined Kesar Enterprises Ltd. (KEL) on 8.8.1985 as “Executive”. He was entrusted with the duties of Administration & Co-ordination work of KEL and also to plan & 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 & modernisation of Sugar Factory, Distillery, ENA & IMFL Plants, the Power Plant for Cogeneration and also a Second Storage Terminal at Kandla.  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 & Managing Director of KEL.

	2	Past remuneration	He has not been drawing any remuneration voluntarily from the Company since March 2014 in view of the heavy losses suffered by the Company for the last few years.
	3	Recognition or awards	–
	4	Job profile and his suitability	He is a Key Managerial Personnel as the Managing Director. Taking into consideration his vast experience Shri H R Kilachand is best suited for the assigned role.
	5	Remuneration proposed	Rs.5.00 lakh per month or Rs.60 lakh per annum as per Schedule V read with Section 197 of the Companies Act, 2013.
	6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration commensurate with size and nature of business of the Company and the responsibilities of the appointee. The remuneration do differ from Company to Company in the industry depending on the respective operations.
	7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He is the Promoter Director.
<b>III</b>		<b>Other information:</b>	
	1	Reasons of loss or inadequate profits	High payment of sugarcane price raised by the State Government and low realisation on sale of sugar resulted in loss.
	2	Steps taken or proposed to be taken for improvement.	The Company has been taking appropriate steps what is in its control to reduce cost, improve the efficiency of the production process and trying for an amicable settlement with the Banks with a view to reduce indebtedness and finance cost.
	3	Expected increase in productivity and profits in measurable terms.	–
<b>IV</b>		<b>Disclosures:</b>	The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual report in the Corporate Governance Report.

Save and except Shri H R Kilachand 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 Special Resolution as set out at Item No.4 of the Notice.

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

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

By Order of the Board of Directors

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

14th August, 2019

# Annual Report 2018-2019

## DIRECTORS' REPORT

Dear Members,

Your Directors present to you the 84th Annual Report and audited financial statements for the financial year ended 31st March, 2019.

### FINANCIAL RESULTS:

	(Rs. In Lakh)	
	<b>2018-19</b>	<b>2017-18</b>
<b>Profit / (Loss) before interest, depreciation &amp; taxation</b>	<b>2,369.26</b>	1,464.13
Less: Interest and Finance Charges	<b>4,478.19</b>	4,316.66
<b>Profit / (Loss) before Depreciation &amp; taxation (Cash Loss)</b>	<b>(2,108.93)</b>	(2,852.53)
Less: Depreciation	<b>1,913.45</b>	1,819.14
<b>Less: Taxation (Deferred Tax)</b>	-	-
<b>Profit / (Loss)</b>	<b>(4,022.38)</b>	(4,671.67)
<b>Other Comprehensive Income</b>		
Item that will not be reclassified to profit or loss:		
(i) Actual loss on defined benefit obligation	<b>(41.38)</b>	(19.91)
(ii) Effect of measuring investment at fair value	<b>(673.40)</b>	(668.13)
<b>Net Profit or Loss for the year</b>	<b>(4,737.16)</b>	(5,359.71)

For the Financial Year 2018-19, there is a loss of Rs.4,737.16 lakh as against the loss of Rs.5,359.71 lakh in the previous year.

During the year under review, the Company has incurred huge cash loss due to mismatch between high Sugarcane Prices and low Sugar Sales realisation. Over the last few years, the Sugar Industry had faced 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 2018-19.

### WORKING OF THE DIVISIONS

#### Sugar Division

The crushing for the Season 2018-19 started on 02.11.2018 i.e. 1 day earlier as compared to 03.11.2017 in the previous season and ended on 4.05.2019 as against 30.04.2018 i.e. 4 days later than the previous season.

During the season, the plant crushed 109.86 lakh quintals of sugarcane in 184 days as against 105.99 lakh quintals in 179 days in the previous season. Crushing was higher by 3.87 lakh quintals during this season due to additional cane area allotted to us by the State Government, better cane yield and more supply of sugarcane by the farmers on account of the trust they had developed with us due to timely cane price payment during the previous year. The overall sugar recovery has been the highest at 10.91% as against 10.63% in the previous season. This was due to our cane development programme of changing the varieties into early maturing high sugar canes. This Sugar Season, the Sugar production is the highest in the history of the Company at 12.03 lakh quintals as against 11.27 lakh quintals in the previous season.

For the Season 2018-19, the Central Government had announced a Fair & Remunerative Price [FRP] of sugarcane at Rs.275/- a quintal at a base recovery of 10%. The UP Government had retained the State Advised Price (SAP) of Sugarcane at Rs.315/- (normal variety) a quintal.

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 realisation. 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. The report of the High Level Committee is yet to be announced.

During the Season 2018-19, Molasses produced was 4.78 lakh quintals as against 4.62 lakh quintals the previous season.

The UP Government had announced the Molasses Policy for 2018-19 (November-October), wherein the molasses reservation ratio for the country liquor manufacturers had been retained at 12.50%.

During the year under review, there has been decrease in sugar prices from the levels prevailing in the previous year. This has resulted in the Company making losses for the financial year 31.03.2019. The industry outlook is negative in the short term.

### **Power Division**

During the Sugar Season 2018-19, the Plant started on 29.10.2018 as against 31.10.2017 in the previous season and operated till 01.07.2019 due to higher crushing of sugarcane and purchase of additional alternate fuel.

The Plant consumed 3.01 lakh MT of bagasse and 0.65 lakh MT of alternate fuel to generate 1.77 lakh MW power as against 2.86 lakh MT of bagasse and 0.55 lakh MT of alternate fuel to generate 1.65 lakh MW power in the previous Season. The total power exported to the grid of Uttar Pradesh Power Corporation Limited (UPPCL) upto 02.07.2019 was 1.28 lakh MW amounting to Rs.75.14 crore as against 1.20 lakh MW amounting to Rs.66.83 crore in the total previous Season.

### **Spirits Division**

The Spirits Division was put out of operations as the Company was required to install Multiple Effect Evaporation system [MEE] 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 did not have such capability, the Company had voluntarily taken a shut down of its Distillery operations since October 2015.

With a view to revive the operations due to a pollution policy by the Central Government, the Company has installed the necessary Multiple Effect Evaporation system and Condensate Polishing Unit [CPU] as basic pollution control equipments. This will take care of the preliminary requirements of Pollution Control Board (PCB). However, to comply with the Zero Liquid Discharge (ZLD) norms of PCB, the Company will have to install an incineration boiler in due course, to maintain continuity of the Distillery Plant Operations in the monsoon period.

The Distillery started production from 1st week of June 2019 and continued till 30.06.2019 as the Distillery cannot be operated during monsoon by adopting to bio-composting method. During this period, we have produced around 10.81 lakh BL of Rectified Spirit (RS).

## **SUBSEQUENT FINANCIAL YEAR 2019-20**

### **Sugar Division**

The crushing for the Season 2019-20 is expected to start in the first week of November 2019.

During the Financial Year 2019-20, the sugar price is expected to be steady due to government intervention. This may result into the Company generating better operational margin gradually. The industry outlook is also positive in the short term and long term with sugar prices expected to be stable.

The Central Government has announced FRP for the season 2019-20 keeping it the same i.e. Rs. 275/- a quintal @ 10% in recovery, as per previous year with increase in every 10% in recovery.

### **Spirits Division**

The Distillery is planned to start in the last week of October 2019. The Company may start its liquor operations also, subject to obtaining necessary approvals from the State Government.

### **Power Division**

The Cogen Power Plant will restart in end of October 2019.

# Annual Report 2018-2019

## SHARE CAPITAL

The Paid up Share Capital as on 31.3.2019 was Rs.10.08 crore. During the year under review, the Company has not issued any shares.

## BOARD AND AUDIT COMMITTEE MEETINGS

During the year 6 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, as informed in the last Directors' Report:

1. Shri Prakash Dubey had resigned as Director of the Company with effect from 30.04.2018 due to personal reasons. The Board of Directors had placed on record its sincere appreciation for the valuable support and guidance given by Shri Prakash Dubey to the Company during his tenure as Director of the Company.
2. On 30.04.2018, Shri A S Ruia was appointed as 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. Thereafter, he was appointed as Independent Director for a second term of 5 years by the Shareholders of the Company through Special Resolution at the 83rd AGM.
3. Shri D J Shah had resigned as a Whole-Time Director w.e.f. 30.04.2018 and he is continuing as the 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.

Pursuant to Section 152 of the Companies Act, 2013, as there is no other Non-Independent Director who will retire by rotation at the ensuing AGM, Shri H R Kilachand, Chairman & Managing Director has been proposed to retire by rotation at the 84th 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.

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 Regulation 16(1)(b) of the SEBI (LODR) Regulations 2015. As per Regulation 25(8) of the Listing Regulations, the Independent Director have confirmed that they are not aware of any circumstances or situation, which exists or may be reasonably anticipated that, could impair or impact their ability to discharge their duties.

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/investors/corporate\\_governance/policies](http://www.kesarindia.com/investors/corporate_governance/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.

During the year under review, the Company has revised the Nomination & Remuneration policy as per Section 178 of the Companies Act, 2013. 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/investors/corporate\\_governance/policies](http://www.kesarindia.com/investors/corporate_governance/policies).

## KEY MANAGERIAL PERSONNEL

Shri H R Kilachand, Chairman & Managing Director, Shri D J Shah, Sr. Vice President (Legal) & Company Secretary and Shri Rohit Balu, Chief Financial Officer are the Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013.

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

Ms. Bhumika Batra (DIN: 03502004), Non- Executive Independent Director of the Company has, vide her letter dated 22.07.2019, tendered her resignation as an Independent Director of the Company with effect from 22.07.2019, due to personal reasons and certain other pre-occupations. There are no other material changes & commitments affecting the financial position of the Company.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i) in preparation of the annual accounts for the financial year ended on 31st March, 2019, the applicable accounting standards 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, 2019 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 40 to the Notes to Accounts for further details of routine transactions entered into with the Related Parties.

All Related Party Transactions were placed before the Audit Committee/Board, as applicable for their approval. Omnibus approval has been taken for the transactions which are repetitive in nature. A quarterly statements of all such transactions were placed before the Audit Committee for review specifying the nature, value and terms and conditions of the transactions.

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/investors/corporate\\_governance/policies](http://www.kesarindia.com/investors/corporate_governance/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. The credit facilities have been classified as Non-Performing Assets (NPA) by Banks. The Company is making efforts to settle with the Banks.

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

There are no significant and material Orders passed by the Regulators or Courts.

## **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 Certificates from the Secretarial Auditors confirming the compliances, are also annexed and form part of the Annual Report.

# Annual Report 2018-2019

## **CERTIFICATE FROM CMD AND CFO**

As prescribed in Part B of Schedule II of the Listing Regulations, a Certificate has been obtained from Shri H R Kilachand, Chairman & Managing Director (CMD) and Shri Rohit Balu, Chief Financial Officer (CFO) of the Company for the Financial Year 2018-19 with regard to the financial statement and other Matters which forms Part of the Corporate Governance 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 SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended vide its Notification dated 31.12.2018, which is effective from 01.04.2019. The necessary changes are made in the Company's existing Code of Conduct for the Prohibition of Insider Trading.

## **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.

## **DEPOSITS**

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

## **AUDITORS**

As per Section 139 of the Companies Act 2013 as amended, ratification of appointment of M/s. 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.

No frauds have been reported by the Auditors during the Financial Year 2018-19.

## **AUDITORS' REPORT**

There is no qualification, reservation or adverse remark 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 & Alcohol' and 'Electricity Generation' for the year ended 31.3.2019. The Cost Audit Report for the same will be submitted to the Central Government before 30.09.2019. 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 has been placed before the Shareholders at the 84th 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, 2020.

## ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the Annual Return is put up on the Company's website and can be accessed at <http://www.kesarindia.com/investors/communications>.

## 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. The Report of the Secretarial Audit Report is annexed herewith as **Annexure- "B"**. The said report contain the following remarks:

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

The reply to the above remarks are as under:

- (i) The Company is making efforts to settle with the Banks.
- (ii) The Audited Financial Results for the Quartered and Financial Year ended 31.03.2018 could not be prepared and filed with Stock Exchanges within the stipulated timelines due to first time implimentation of IND AS.

## 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.

## 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-"C"** 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.

14th August, 2019

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

# Annual Report 2018-2019

Annexure "A"

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

- 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.
- Considering the benefits of Mono Magnetic System installed earlier, we have added few more such systems in our process.

A. POWER AND FUEL CONSUMPTION			2018-19	2017-18
1.	<b>ELECTRICITY</b>			
	a	<b>Purchased</b>		
		Unit	Kwh	
		Total Amount	Rs.	
		Rate/Unit	Rs.	
	b	<b>Own Generation</b>		
	i)	Through Diesel Generator		
		Unit	Kwh	
		Units Per Ltr. Of Diesel Oil	Kwh	
		Rate / Unit	Rs.	
	ii)	Through Steam Turbine		
		Unit	Kwh	
		Units Per M. T. of Steam	Kwh	
		Rate / Unit	Rs.	
2.	<b>Coal</b>			
		Quantity		
		Cost		
		Average Rate		
3.	<b>Bagasse (Own)</b>			
		Quantity	M.T.	
		Cost *	Rs.	
		Average Rate *	Rs. (M.T.)	
4.	<b>Other Fuel (Outside)</b>			
		Quantity	M.T.	
		Cost	Rs.	
		Average Rate#	Rs.	
5.	<b>Rice Husk</b>			
		Quantity	M.T.	
		Cost	Rs.	
		Average Rate	Rs.	
6.	<b>Cane Trash</b>			
		Quantity-	M.T.	
		Cost-	Rs.	
		Average Rate	Rs.	
7.	<b>H. S. DIESEL</b>			
		Quantity	Ltr.	
		Cost	Rs.	
		Average Rate	Rs.	

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

## Consumption per unit of production

<b>Product (Sugar)</b>			
Electricity	Kwh / M.T.	274.74	237.17
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		2018-19	2017-18
a)	Capital	-	-
b)	Recurring	-	-

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 01-04-2018 TO 31-03-2019

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, 2018 to 31st March, 2019** 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, 2018 to 31st March, 2019** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder and amendments thereto;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of External Commercial Borrowings, Foreign Direct Investment, Overseas Direct Investment - **(No event during reporting period)**.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **(No event during reporting period)**.
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **(No event during reporting period)**.
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **(No event during reporting period)**.
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client. - **(Not Applicable during reporting period)**.

# Annual Report 2018-2019

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **(No event during reporting period).**
- h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009 - **(No event during reporting period).**

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

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

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

We further report that during the reporting period;

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- The changes in the composition of the Board of Directors that took place during the period under review were carried out and is in compliance with the provisions of the Act.
- Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- There were adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliances by the Company of applicable Financial Laws like Direct & Indirect Tax Laws, Service Tax has not been reviewed in this audit since the same has been subject to review by the statutory Auditors of the Company.

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

1. Mr. Prakash Dubey (DIN: 02132564) had resigned as an Independent Director with effect from 30th April, 2018.
2. Appointment of Mr. Anilkumar Sushilkumar Ruia (DIN: 00296622) as Additional Independent Director of the Company was made by the Board with effect from 30th April, 2018 and the same has been regularized as an Independent Director of the Company in the Annual General Meeting held on 14th August, 2018.

3. Appointment of Ms. Bhumika Batra (DIN: 03502004) as an Additional Independent Director of the Company was made by the Board with effect from 14th August, 2018.
4. Mr. Devendra Jitendra Shah has resigned as Whole Time Director with effect from 30th April, 2018 and has continued as Sr. Vice President [Legal] & Company Secretary.

**For Ragini Chokshi & Co.**

**Makarand Patwardhan**

(Partner)

C.P. No: - 9031

FCS No: -11872

Place: Mumbai

Date: 14-08-2019

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**Annexure –A**

To,  
The Members,  
**KESAR ENTERPRISES LIMITED,**  
Oriental House, 7, Jamshedji 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

Place: Mumbai

Date: 14-08-2019

# Annual Report 2018-2019

Annexure "C"

**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 2018-19:

<b>Executive Director</b>	
* Shri H R Kilachand	Nil
** Shri D J Shah	Nil
<b>Non Executive Director</b>	
*** Shri P N Dubey	0.16:1
Shri M A Kuvadia	1.15:1
**** Shri A S Ruia	1.06:1

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

<b>Executive Director</b>	
* Shri H R Kilachand	NIL
** Shri D J Shah	Nil
<b>Non Executive Director</b>	
*** Shri P N Dubey	Nil
Shri M A Kuvadia	Nil
**** Shri A S Ruia	NA
<b>Key Managerial Personnel</b>	
Shri Rohit Balu, Chief Financial Officer	8.23%
Shri D J Shah, Company Secretary	15.34%

3. The percentage increase in the median remuneration of employees in the financial year was 5.73%.
4. The Company has 261 permanent employees on the rolls of the Company as on March 31, 2019
5. Average percentile increase in salaries of Employees, other than managerial personnel, during the year under review was (12.22%), whereas average percentile increase in salaries of Managerial Personnel during the year under review was (4.92%).
6. It is affirmed that the remuneration paid is as per the remuneration policy of the Company.
- \* 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 ceased to be a Whole Time Director w.e.f. 30.4.2018
  - \*\*\* Shri P N Dubey ceased to be an Independent Director w.e.f. 30.4.2018
  - \*\*\*\* Shri A S Ruia appointed as a Director w.e.f.30.04.2018.

**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: 14.08.2019

## 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 get benefits of renewable energy certificate. Upto 31st March 2019, the Company was getting power tariff on the lines of UPERC guidelines declared for a block period of 5 years and were quite good. However, now UPERC / UPPCL wants to review the tariff and has proposed / recommended for a tariff much lower than the existing one. The Company along with others, in the industry, are strongly taking up the matter with UPERC and the State Government directly as well.

##### Spirits

The Spirits Division was put out of operations as the Company was required to install a Multiple Effect Evaporation (MEE) 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 did not have such capability, the Company had voluntarily taken a shut down for its Distillery operations since October 2015. With a view to revive the operations due to a remunerative policy of the Central Government for ethanol, the Company has put-in the necessary MEE plant and Condensate Polishing Unit [CPU] as basic pollution control equipments. This will take care of the preliminary requirements of Pollution Control Board (PCB). However, to comply with the Zero Liquid Discharge (ZLD) norms of PCB, we will have to install an incineration boiler in due course, to maintain continuity of our distillery plant operations in the monsoon period. We have started Distillery operations from 1st week of June 2019 and continued till 30th June 2019, producing around 10.81 lakh BL of Rectified Spirit. We expect to start production of Liquor operations, subject to obtaining approvals and market conditions.

#### Opportunities & Threats

##### Sugar

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.

##### Spirits

Present State and Central Government policies are quite favourable for the Spirits Division. The Government is promoting Ethanol by giving better rates, allowing to produce from 'B' heavy molasses and cane juice directly. State Government is pushing hard for getting country liquor from those distilleries, who have closed their bottling operations due to various reasons, in last few years – appears to be a big advantage.

# Annual Report 2018-2019

## 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.

During the Financial Year 2018-19, 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, 2019. During the Financial Year 2019-20, there may be steady sugar prices. This may result into the Company generating better operational margins. The industry outlook is also positive.

### Power

The season ahead should see proper utilization of the cogeneration plant capacity and therefore the exportable power will give rise to more revenues.

### Spirits

As the Company has installed a Multiple Effect Evaporation (MEE) and Condensate Polishing Unit (CPU) for taking care of pollution norms to a certain extent, we expect good revenues by production / sale of spirit to various vendors next season onwards. Being attached to the sugar unit, we have the added advantage of operations by having in-house molasses. If, things works as planned, we will try to explore the possibility of venturing into country liquor operations again as the present Government policy is in favour of the Industry.

## 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] as amended from time to time.

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

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

Name of Director	Category
Shri H R Kilachand (DIN:00294835)	: Chairman & Managing Director
Shri A S Ruia (DIN:00296622)	: Independent Director [w.e.f.30.04.2018]
Shri P N Dubey (DIN:02132564)	: Independent Director [upto 30.04.2018]
Shri M A Kuvadia (DIN:07195042)	: Independent Director
Ms. Bhumika Batra (DIN:03502004)	: Independent Director [From 14.08.2018 to 22.07.2019]
Shri D J Shah (DIN:03095028)	: Whole-Time Director [upto 30.04.2018]

Attendance of each Director at the Board Meetings held during 1.4.2018 to 31.3.2019, the last Annual General Meeting held on 14.08.2018 and the Number of other Directorships & Chairmanship/ Membership of Committees of each Director in various Companies & Shareholding of Non-Executive Directors are as under:

Name of the Director	No. of Shares Held by Non Executive Directors	Attendance Particulars						No. of other Directorships and Committee Member / Chairmanship in other Companies		
		Out of 6 Board Meetings	Out of 5 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	5,73,976	6	5	2	-	-	Yes	2	4	-
Shri P N Dubey upto 30.04.2018		1	-	1	-	40,000/-	No	1	2	2
Shri A S Ruia										
w.e.f. 30.04.2018	1000	6	5	1	1	2,60,000/-	Yes			
Shri M A Kuvadia	-	6	5	2	1	2,80,000/-	Yes	1	2	0
D J Shah upto 30.04.2018		1	-	-	-	-	Yes	-	-	-
Ms. Bhumika Batra	-	-	-	-	-	-	NA	6	3	3

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

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

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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.

Name of Director	Listed Company	Category
Shri H R Kilachand	Kesar Terminals & Infrastructure Ltd.	Executive Chairman
Shri A S Ruia	Kesar Terminals & Infrastructure Ltd.	Independent Director
Shri M A Kuvadia	Aishwarya Telecnologies & Telecom Ltd. [formerly – Aishwarya Telecom Ltd.]	Independent Director

## Retirement by Rotation of Director:

Pursuant to Section 152 of the Companies Act, 2013, as there is no other Non-Independent Director except Shri H R Kilachand, though he has been appointed as a Director not liable to retire by rotation by the Company, Shri H R Kilachand, Chairman & Managing Director will retire by rotation at the 84th AGM and he being eligible, offers himself for reappointment. 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) 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, the Power Plant for Cogeneration 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 Kesar Terminals &amp; Infrastructure Ltd. [KTIL] i.e. from 14.09.2010, he has worked as the Executive Chairman of KTIL for almost 2 terms of 3 years each i.e. till 29.04.2016. He has been appointed again w.e.f. 20.12.2017 as Executive Chairman of KTIL. He has contributed a lot in the growth of KTIL. He could manage to get for KTIL a Composite Logistic Hub Project at Madhya Pradesh through its Special Purpose Vehicle Company viz. Kesar Multimodal Logistics Ltd. (KMLL). He is also a Non-Executive Chairman of KMLL.</p>
Shareholding	5,73,976 (5.69%) Equity Shares
Relationship with other Director	Nil
List of other Directorship	<p>Kesar Terminals &amp; Infrastructure Ltd. Kesar Multimodal Logistics Ltd. Kesar Corporation Pvt. Ltd. Indian Commercial Co. Pvt. Ltd. Seel Investment Private Ltd. (w.e.f. 21.02.2019) Kilachand Devchand &amp; Company Private Ltd. Kilachand Devchand Commercial Private Ltd. India Carat Pvt. Ltd. (upto 15.02.2019)</p>

## 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, 6 Board Meetings were held 30.04.2018; 22.05.2018; 13.06.2018; 14.08.2018; 14.11.2018 & 13.02.2019. 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

# Annual Report 2018-2019

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, 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.

- |                    |  |
|--------------------|--|
| Shri A S Ruia      | – Independent Director–Chairman of the Committee         |
| Shri M A Kuvadia   | – Independent Director - Member of the Committee         |
| Shri H R Kilachand | – Chairman & Managing Director - Member of the Committee |

## **(c) Meetings & Attendance**

During the year, 5 meetings of the Audit Committee were held on 22.05.2018; 13.06.2018; 14.08.2018; 14.11.2018 & 13.02.2019 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 30.04.2018 & 14.08.2018

- |                    |  |
|--------------------|--|
| Shri A S Ruia      | – Independent Director–Chairman of the Committee         |
| Shri M A Kuvadia   | – Independent Director - Member of the Committee         |
| Shri H R Kilachand | – Chairman & Managing 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. The Company is in the process of inducting 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 and Non-Executive Directors:**

Shri H R Kilachand was drawing his remuneration only from 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 31.3.2019:**

Name	Sitting Fees (Rs.)
Shri P N Dubey	40,000/-
Shri A S Ruia	2,60,000
Shri M A Kuvadia	2,80,000

#### **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 13.06.2018; 17.07.2018; 27.09.2018; 5.11.2018; 05.12.2018; 05.02.2019; 19.03.2019 & 29.03.2019 to consider the related matters. There was no pending share transfers as on March 31, 2019.

#### **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

# Annual Report 2018-2019

Committee consists of the following Directors:

- Shri M A Kuvadia – Independent Director–Chairman of the Committee  
 Shri A S Ruia – Independent Director - Member of the Committee  
 Shri H R Kilachand – Chairman & Managing Director - Member of the Committee

The function of the Stakeholders’ Relationship Committee is to strengthen the investor relations. The Committee looks into redressal of shareholders’ complaints and proper and timely attendance on the investor’s grievances. The key responsibilities of the Committee are to look 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, 2019, the Company had received few complaints / grievances from its Shareholders, which were replied satisfactorily by the Company.

## 7. Risk Management Committee [RMC]:

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

- Shri M A Kuvadia – Independent Director–Chairman of the Committee  
 Shri H R Kilachand – Chairman & Managing Director - Member of the Committee

## 8. General Body Meetings:

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

AGM	Financial Year ended	Date	Location	Time
83rd	31.03.2018	14.08.2018	M C Ghia Hall	3:30 p.m
82nd	31.03.2017	25.07.2017	M C Ghia Hall	3:30 p.m
81st	31.12.2016 (15 Months)	11.08.2016	M C Ghia Hall	11:00 a.m

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

Date of AGM	Particulars of Special Resolution passed thereat
14.08.2018	<ul style="list-style-type: none"> <li>• Resolution under Section 149, 152 read with Schedule IV relating to appointment of Shri A S Ruia as the Independent Director for the 2nd term of 5 years and also that his age is 75 years.</li> <li>• Resolution under Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 1956 relating to ratification for appointment of Shri D J Shah as the Whole-Time Director without any remuneration for a period from 27.01.2018 to 30.04.2018.</li> </ul>
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.

iii. No Resolutions was passed during the Financial Year 2018-2019 through Postal Ballot.

iv. No Special Resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

## 9. Disclosures:

- a. All transactions entered into during the financial year 2018-19 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.
- b. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years, except that the audited financial results for the quarter and year ended March 31, 2018 pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were filed by the Company with BSE Ltd. and National Stock Exchange of India Ltd. (NSE) on June 13, 2018 as against the due date of May 30, 2018 and the Company had paid the fine of Rs. 82,600/- to NSE in this regard;
- c. 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.
- d. **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 2018-2019, 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/investors/corporate-governance/policies](http://www.kesarindia.com/investors/corporate-governance/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**

- e. 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.
- f. Management Discussion & Analysis report has been included as a part of the Annual Report.
- g. The Company has complied with all applicable mandatory requirements of the SEBI (LODR) Regulation 2015.
- h. 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.

## 10. 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)

# Annual Report 2018-2019

## 11. 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	:	<b>20.09.2019, Friday</b>
	Time	:	<b>3:30 pm.</b>
<b>d</b>	Venue	:	M C Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001
<b>e</b>	Financial Year	:	2018-19
<b>f</b>	Next Financial Year ending	:	31st March, 2020
<b>g</b>	Next Annual General Meeting		By 30th September, 2020
	Financial Reporting for the year 2019-20 For 1st quarter ended 30th June, 2019 For 2nd quarter ending 30th September, 2019 For 3rd quarter ending 31st December, 2019 For 4th quarter ending 31st March, 2020		By 14th August, 2019 By 14th November, 2019 By 14th February, 2020 By 30th May, 2020
<b>h</b>	Date of Book Closure	:	From 13.09.2019 - Friday To 20.09.2019 - Friday (Both days inclusive)
<b>i</b>	Listing on Stock Exchange	:	Bombay Stock Exchange Ltd.,
<b>j</b>	Stock Exchange Code Number	:	National Stock Exchange of India Ltd.,
<b>k</b>	Demat ISIN numbers in NSDL & CDSL	:	The Company has paid annual listing fees due to BSE and NSE for the year 2018-19. BSE Scrip Code : 507180 NSE Symbol : KESARENT INE133B01019
<b>l</b>	<b>Address for correspondence by the Shareholders of the Company:</b>		
	<b>Registrar &amp; Share Transfer Agent: M/s. Sharex Dynamic (India) Pvt. Ltd.</b> C 101, 247 Park, L BS Marg, Vikhroli (West), Mumbai - 400 083. Tel.No.: +91 22 28515606/ 28515644 Fax: +91 22 28512885 <b>Email:</b> support@sharexindia.com <b>Website :</b> www.sharexindia.com		<b>Kesar Enterprises Ltd.</b> Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai-400020.  Tel No.: +91 22 22042396 / 22851737  <b>Email:</b> djs@kesarindia.com <b>Website :</b> www.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 the Company Secretary in Practice for timely dematerialization of the shares of the Company and for conducting of Reconciliation of Share Capital Audit of the Company.

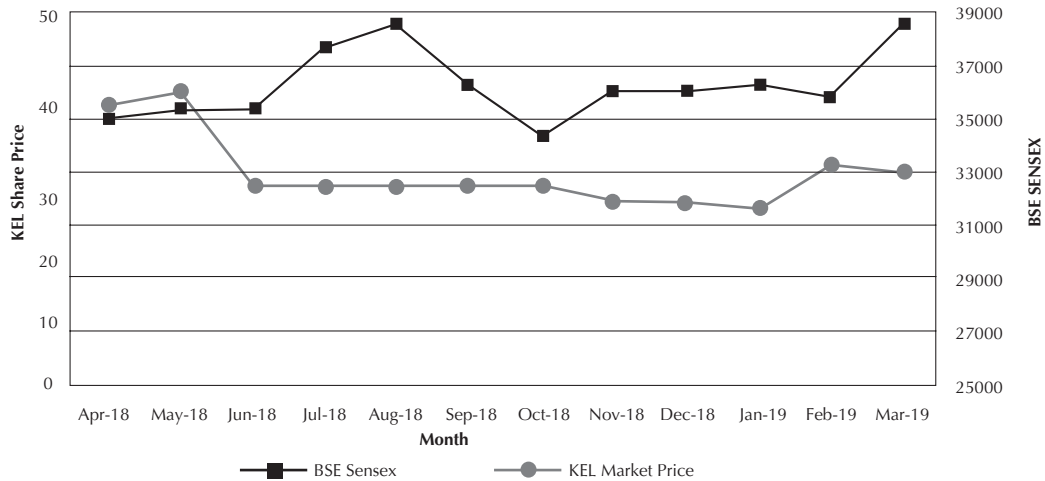


## Stock Market Data:

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

Month	BSE		NSE	
	High	Low	High	Low
April 2018	51.90	38.15	51.00	40.00
May 2018	42.40	28.55	43.00	30.20
June 2018	38.00	27.25	39.55	29.20
July 2018	36.50	25.00	34.50	26.00
August 2018	39.90	26.30	37.50	29.45
September 2018	47.20	28.00	49.70	29.40
October 2018	36.50	28.50	36.00	26.75
November 2018	32.45	27.20	32.70	26.65
December 2018	30.00	25.80	30.20	26.20
January 2019	30.80	27.00	30.80	26.20
February 2019	33.90	25.95	34.30	25.75
March 2019	33.85	26.10	33.40	26.50

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



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

Shareholding in Nominal Value of Rs.	Shareholders		Share Amount	
	Holders	% of Holders	In Rs.	% to Total
Upto - 5,000	4485	88.097	5542550	5.499
5,001 -10,000	315	6.187	2467130	2.448
10,001 - 20,000	162	3.182	2419130	2.400
20,001 - 30,000	46	0.904	1149700	1.141
30,001 - 40,000	17	0.334	603380	0.599
40,001 - 50,000	8	0.157	368760	0.366
50,001 - 1,00,000	31	0.609	2327570	2.309
1,00,001 - and above	27	0.530	85918600	85.239
<b>Total</b>	<b>5091</b>	<b>100.00</b>	<b>100796820</b>	<b>100.00</b>

# Annual Report 2018-2019

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

As on 31.03.2019, about 97.37% of the total shareholding in the Company representing 98,14,934 shares stood 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	11,72,605	11,49,734	11.63
	<b>Sub Total:</b>	<b>69,78,642</b>	<b>69,55,771</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	6,53,131	6,51,441	6.48
	b. Indian Public	18,99,026	16,60,734	18.84
	c. NRI's/ OCB's	18,195	18,195	0.18
	d. Clearing Members	14,794	14,794	0.15
	<b>Sub Total:</b>	<b>31,01,040</b>	<b>28,59,163</b>	<b>30.77</b>
	<b>GRAND TOTAL:</b>	<b>1,00,79,682</b>	<b>98,14,934</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 clause 11 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.

5. Any Shareholder of the Company who has multiple folios in identical names are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.
6. 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. The details of the last dividend 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] 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

## 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, 2019, as stipulated in Regulation 17 to 27, Clauses (b) to (i) of Regulation 46 (2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with Stock Exchanges in India.

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

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

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

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

**For Ragini Chokshi & Co.**  
**Makarand Patwardhan**  
(Partner)  
C.P. No: - 9031  
FCS No: -11872

Place: Mumbai  
Date: 14-08-2019

# Annual Report 2018-2019

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of KESAR ENTERPRISES LIMITED having CIN L24116MH1933PLC001996 and having registered office at ORIENTAL HOUSE,7 JAMSHEDJI TATA ROAD, CHURCHGATE MUMBAI MH 400020 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	MAHESH AMBALAL KUVADIA	07195042	11/07/2016
2	HARSH RAJNIKANT KILACHAND	00294835	14/08/2010
3	ANILKUMAR SUSHILKUMAR RUIA	00296622	30/04/2018

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

For Ragini Chokshi & Co.  
Makarand Patwardhan  
(Partner)  
C.P. No :- 9031  
ACS No :- 11872

Date: 14/08/2019  
Place: Mumbai

## DECLARATION

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

Mumbai  
14th August, 2019

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 listed entity 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,  
14th August, 2019

# Annual Report 2018-2019

## INDEPENDENT AUDITOR'S REPORT

To the Members of Kesar Enterprises Limited

Report on the Audit of the Ind AS Financial Statements

### Opinion

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

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

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 49 in the Ind AS financial statements. For the reasons 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Our Response
<p>As on March 31, 2019, the Company has inventory of sugar with the carrying value ₹ 9,332.66 lakhs. The inventory of sugar is valued at the lower of cost and net realizable value.</p> <p>We considered the value of the inventory of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgment involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value.</p>	<p>We understood and tested the design and operating effectiveness of controls as established by the Management in determination of net realizable value of inventory of sugar.</p> <p>We considered various factors including the actual selling price prevailing around and subsequent to the year end, minimum selling price &amp; monthly quota and other notifications of the Government of India.</p>

### Other Information

1. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The said information is expected to be made available to us after the date of this auditor's report.
2. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

3. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
4. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

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

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

# Annual Report 2018-2019

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

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

## Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid 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 section of our report, in our opinion, may have an adverse effect on the functioning of the Company;
  - f. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;  
The Company has not paid/provided for any managerial remuneration to its directors during the year.
  - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 34 on Contingent Liabilities Ind AS financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

**Sumant Sakhardande**

Partner

Membership No. 034828

Place: Mumbai

Date: May 17, 2019



## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, 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, no material discrepancies were noticed on such verification.
- (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, 2019	Net Block as on March 31, 2019	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 information and explanation 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 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, goods and service tax, customs duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues outstanding with respect to sales tax, value added tax, excise duty on account of any dispute, are as follows:

# Annual Report 2018-2019

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	59.93	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	1,221.13	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	41.31	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 Barailly
Central Excise Act , 1944	Cenvat Credit on Molasses Received	3,286.21	2012-2013	Commissioner CEX Meerut
Central Excise Act , 1944	Cenvat Credit on Steel Materials	3.35	2014-2015	AC AEX Barailly
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	Demand of reversal of Cenvat Credit Steel materials	3.48	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 Barailly
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	362.50	2015-16,2016- 2017,2017-2018	CESTAT, Allahabad
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 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
Central Excise Act , 1944	Cenvat Credit on Sale of Bagasses	2.79	2015-2016	AC AEX Barailly
Central Excise Act , 1944	CENVAT Credit availed on Molasses	634.45	2012-2013	AC AEX Barailly
Central Excise Act , 1944	Demand of reversal of Cenvat Credit on Civil Construction Work	91.01	2012-2013	Commissioner CEX Meerut
Central Excise Act, 1944 & Central Excise Rules, 2002	Demand of reversal of Cenvat Credit Steel materials/Welding Electrode	19.94	2005-2006 to 2008- 2009 and 2011-2012	CESTAT, Allahabad

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution, bank, government or dues to debenture holder except for details given below:

(₹ in Lakhs)

Particulars	Amount of default as at March 31, 2019 (Less than 12 months) (Excluding Interest)	Amount of default as at March 31, 2019 (more than 12 months) (Excluding Interest)
Banks	-	10,528.72
Government- (Sugar Development Fund)	727.28	2,067.97

- (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, the Company has not paid/provided for managerial remuneration during the year. Therefore, paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

**Sumant Sakhardande**

Partner

Membership No. 034828

Place: Mumbai

Date: May 17, 2019

# Annual Report 2018-2019

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

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

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

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

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

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

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

## **Opinion**

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

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Place: Mumbai  
Date: May 17, 2019

**Sumant Sakhardande**

Partner

Membership No. 034828

# Annual Report 2018-2019

## BALANCE SHEET AS AT 31ST MARCH, 2019

PARTICULARS	Note No.	(₹ in Lakhs)	
		As at 31st March, 2019	As at 31st March, 2018
<b>I ASSETS</b>			
<b>1 Non - Current Assets</b>			
(a) Property, Plant & Equipments	2	45,076.49	46,726.04
(b) Capital Work - in - Progress	2	1,423.77	21.11
(c) Intangible Assets	2	7.48	5.29
(d) Financial Assets			
(i) Investments	3	656.49	1,330.39
(ii) Loans	4	25.40	21.72
(iii) Others	5	46.90	164.02
(e) Deferred Tax Assets (Net)	6	16.94	16.94
(f) Other Non-Current Assets	7	261.61	288.00
<b>2 Current Assets</b>			
(a) Inventories	8	11,446.10	8,039.89
(b) Financial Assets			
(i) Investments	9	257.28	-
(ii) Trade Receivables	10	5,449.99	2,894.43
(iii) Cash and Cash Equivalents	11	164.81	181.27
(iv) Bank Balance other than Cash and Cash Equivalents	12	165.25	151.17
(v) Loans	13	5.19	27.18
(c) Other - Current Assets	14	177.66	142.91
<b>Total</b>		<b>65,181.36</b>	<b>60,010.36</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	15	1,007.97	1,007.97
(b) Other Equity	16	4,603.86	9,337.10
<b>2 Liabilities</b>			
<b>I Non - Current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	17	406.17	782.35
(b) Provisions	18	739.84	691.42
(c) Other Non - Current Liabilities	19	51.30	62.51
<b>II Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	8,957.68	8,957.68
(ii) Trade Payables	21		
- Total outstanding dues of micro enterprises and small enterprises		125.79	198.06
- Total outstanding dues of creditors other than micro enterprises and small enterprises		17,613.67	10,851.40
(iii) Others	22	29,999.06	26,664.85
(b) Other Current Liabilities	23	1,532.38	1,318.10
(c) Provisions	24	127.72	120.99
(d) Current Tax Liabilities (Net)	25	15.92	17.93
<b>Total</b>		<b>65,181.36</b>	<b>60,010.36</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: 17th May, 2019

**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

Place: Mumbai

Date: 17th May, 2019

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

PARTICULARS	Note No.	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
(₹ In Lakhs)			
<b>I. Revenue from Operations</b>	26	40,311.20	31,370.74
<b>II. Other Income</b>	27	192.16	149.15
<b>III. Total Income (I + II)</b>		<u>40,503.36</u>	<u>31,519.89</u>
<b>IV. EXPENSES</b>			
Cost of Materials Consumed	28	36,215.86	31,696.00
Excise Duty on Sale of Goods	29	-	61.18
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	30	(3,344.47)	(5,773.59)
Employee Benefits Expense	31	2,323.53	2,154.51
Finance Costs	32	4,478.19	4,316.66
Depreciation and Amortization Expense	2	1,913.45	1,819.14
Other Expenses	33	2,939.18	1,917.66
<b>Total Expenses</b>		<u>44,525.74</u>	<u>36,191.56</u>
<b>V Loss before Exceptional Items &amp; Tax (III- IV)</b>		(4,022.38)	(4,671.67)
<b>VI Exceptional Items</b>		-	-
<b>VII Net Loss Before Tax (V-VI)</b>		(4,022.38)	(4,671.67)
<b>VIII Tax Expense:</b>			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
<b>IX Loss for the Year (VII-VIII)</b>		<u>(4,022.38)</u>	<u>(4,671.67)</u>
<b>X Other Comprehensive Income</b>			
(a) Items that will not be reclassified to profit or loss.			
(i) Actuarial loss on defined benefit obligation		(41.38)	(19.91)
(ii) Effect of measuring investment at fair value		(673.40)	(668.13)
(iii) Income tax relating to above items		-	-
(b) Items that will be reclassified to profit or loss.			
(i) Actuarial loss on defined benefit obligation		-	-
(ii) Effect of measuring investment at fair value		-	-
(iii) Income tax relating to above items		-	-
<b>XI Total Comprehensive Income for the Year (IX+X)</b>		<u>(4,737.16)</u>	<u>(5,359.71)</u>
Earnings Per Equity Share:	44		
Basic (₹)		(39.91)	(46.35)
Diluted (₹)		(39.91)	(46.35)
[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

**Sumant Sakhardande**

Partner

Membership No. 034828

Place: Mumbai

Date: 17th May, 2019

**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

Place: Mumbai

Date: 17th May, 2019

# Annual Report 2018-2019

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

PARTICULARS	(₹ In Lakhs)	
	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>NET LOSS BEFORE TAX</b>	(4,022.38)	(4,671.67)
<b>Non cash adjustments to reconcile loss before tax to net cash flows:</b>		
Depreciation and Amortization Expense	1,913.45	1,819.14
Dividend Income	(10.52)	(5.20)
Interest Income	(33.63)	(15.86)
Interest and Finance Charges	4,478.19	4,316.66
Transferred to Molasses Storage Reserves	3.92	2.36
Profit on sale of Property, Plant & Equipment (net)	(1.03)	(5.16)
Profit on sale of Investments (net)	(47.94)	(35.97)
Fair Value (gain)/ loss on Investments	(4.22)	-
Credit Balances Written Back	(36.18)	(73.94)
Bad Debts / Sundry Balance Written off	60.49	150.58
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>2,300.15</b>	<b>1,480.94</b>
<b>Movements in working Capital</b>		
Increase in Inventories	(3,406.20)	(5,549.91)
(Increase) / Decrease in Trade Receivables	(2,616.04)	683.77
Decrease in Financial Assets - Loans (current)	21.98	15.20
Increase in Financial Assets - Bank Balance	(14.08)	(83.30)
(Increase) / Decrease in Financial Assets - Loans (Non-current)	(3.68)	45.80
Decrease / (Increase) in Financial Assets - Other (Non-current)	26.39	(10.30)
(Increase) / Decrease in Other Current Assets	(34.74)	2,277.96
Increase in Trade Payables	6,728.58	2,781.73
Increase / (Decrease) in Other Current Liabilities	73.91	43.77
Increase in Current Liabilities Provisions (Employee Benefits)	6.74	5.53
(Decrease) / (Increase) in Other Non - Current Liabilities	(11.21)	3.45
Increase in Non - Current Liabilities Provisions	7.04	87.52
<b>CASH GENERATED FROM OPERATIONS</b>	<b>3,078.84</b>	<b>1,782.17</b>
Taxes (Paid)/ Refunds	(2.01)	0.40
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>3,076.83</b>	<b>1,782.57</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Property, Plant & Equipment including Intangible Assets & CWIP	(1,522.79)	(206.98)
Sale/Scrap of Property, Plant & Equipment	15.24	9.65
Purchase of Investments (Excluding Diminution) (Net)	(261.50)	-
Sale of Investments (Net)	0.50	38.72
Proceeds from Fixed Deposits	122.21	0.92
Interest Received	11.45	15.85
Dividend Received	10.52	5.20
<b>NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES</b>	<b>(1,624.37)</b>	<b>(136.64)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of Borrowings	(1,335.07)	(699.88)
Dividends Paid	(1.17)	(0.86)
Interest Paid	(132.68)	(834.39)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1,468.92)</b>	<b>(1,535.13)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(16.46)</b>	<b>110.80</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	181.27	70.47
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>164.81</b>	<b>181.27</b>
<b>COMPONENT CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	8.99	1.29
Balance with Bank on Current Account	70.82	179.98
Balance with Bank on Fixed Deposits Accounts with original maturity of less than 3 months	85.00	
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>164.81</b>	<b>181.27</b>



# KESAR ENTERPRISES LIMITED

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

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

Reconciliation of Opening and Closing of Finance Activities of Cash Flow Statements:

(₹ in Lakhs)

Particulars	As at March 31, 2018	Net Cash Flow	Non Cash Changes	As At March 31, 2019
			Fair Value Changes	
Borrowings Non current	782.35	(340.03)	36.15	406.17
Other Financial Liabilities	20,379.86	(995.04)	-	19,384.82
Borrowings current	8,957.68	-	-	8,957.68

Note : Figures in brackets are outflows.

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: 17th May, 2019

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

**H R KILACHAND**

Chairman & Managing Director

DIN:00294835

**A S RUIA**

Director

DIN: 00296622

**ROHIT BALU**

Chief Financial Officer

**D J SHAH**

Sr. Vice President (Legal) &

Company Secretary

Place: Mumbai

Date: 17th May, 2019

# Annual Report 2018-2019

## 1. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

### (b) Basis of Measurement

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

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans- plan assets measured at fair value.
- 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 or the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

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

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.

### (e) Use of Estimates

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

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

#### Key accounting estimates

##### i) Income taxes:

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

##### 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 judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### (f) Revenue Recognition

The Company derives revenue primarily from sale of manufactured goods. Effective April 01, 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) – “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 01, 2018. The Company has determined that there were no such incomplete contracts as on the transition date and hence the effect on adoption of Ind AS 115 was insignificant.

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

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

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

1. The customer simultaneously receives and consumes the benefits provided by the Company’s performance as the Group performs; or
2. The Company’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company’s performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance obligation is satisfied.

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

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

Dividend income from investments is recognised when the shareholder’s right to receive payment has been established.

Interest income is recognized using the effective interest rate (EIR) method.

Insurance Claims are accounted when the right to receive payment is established.

### (g) Property Plant and Equipment

Property, plant and equipment are stated at cost including amounts added on revaluation for Land, Building

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& Plant & Equipment, less accumulated depreciation and impairment loss, if any. The cost of property, plant and equipment comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

## (h) Depreciation

- (i) 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 property, plant and equipments are as given below :

Description of Asset	Useful Life
Buildings, Road etc.	30-60 years
Road	10 years
Plant & Equipments	25 years
Electrical Installation	10 years
Office Equipments	5 years
Vehicles	8 years
Furniture & Fixtures	10 years
Computer	3 years
Computer Software	6 years

- (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 property, plant and equipments 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

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress..

## (j) Borrowing Costs:

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

## (k) Leases:

### Operating Lease

#### As a lessee

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

## As a Lessor

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

### (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 recognised in the Statement of Profit and Loss. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### (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 statement of profit and 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 and the losses arising from impairment are recognised in the Statement of Profit and Loss.

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

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

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

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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 Statement of Profit and Loss)**

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

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

### **Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### **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 Statement of Profit and 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 Statement of Profit and Loss**

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

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

#### **Loans and borrowings**

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

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

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

## **Financial guarantee contracts**

Financial guarantee contracts issued by the 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 different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **iv) Offsetting of financial instruments**

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

### **(n) Inventories**

- (i) Raw Materials and Stores and Spares are valued at cost arrived on weighted average method.
- (ii) Work in Progress, 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 the 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 property, plant and equipments, 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**

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

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

**(s) Tax Expense**

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

**- Current tax**

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and tax 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 to the period when the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

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

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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.

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 not wholly within the control of the company or a present obligation arising from past events that is not recognized because it is not probable that an outflow of resources embodying economic benefits 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 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.

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

## (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 property, plant and equipments, it is netted off with the specified property, plant and equipments if grants related to specific property, plant and equipments otherwise netted off on pro rata basis to all eligible property, plant and equipments.

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.

**(y) Recent Accounting Pronouncements**

**Ind AS 116 Leases:**

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

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

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

PARTICULARS	Equity Share Capital	Other Equity						Other Comprehensive Income	Total Other Equity	Total Equity
		Capital Reserve	Securities Premium Reserve	Revaluation Reserves	Storage and Effluent Disposal Reserves:	General Reserve	Retained Earning			
<b>As at April 1, 2017</b>	<b>1,007.97</b>	<b>67.90</b>	<b>801.05</b>	<b>28,080.87</b>	<b>66.92</b>	<b>3,330.72</b>	<b>(19,809.96)</b>	<b>2,156.95</b>	<b>14,694.45</b>	<b>15,702.42</b>
Profit/ (Loss) for the Year							(4,671.67)	(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
<b>As at March 31, 2018</b>	<b>1,007.97</b>	<b>67.90</b>	<b>801.05</b>	<b>27,186.24</b>	<b>69.28</b>	<b>4,225.35</b>	<b>(24,481.63)</b>	<b>1,468.91</b>	<b>9,337.10</b>	<b>10,345.07</b>
Profit/ (Loss) for the Year							(4,022.38)	(4,022.38)	(4,022.38)	(4,022.38)
Addition during the Year					3.92			(714.78)	(710.86)	(710.86)
Transfer to General Reserve				(1,011.32)					(1,011.32)	(1,011.32)
Transfer From Revaluation Reserve						1,011.32			1,011.32	1,011.32
<b>As at March 31, 2019</b>	<b>1,007.97</b>	<b>67.90</b>	<b>801.05</b>	<b>26,174.92</b>	<b>73.20</b>	<b>5,236.67</b>	<b>(28,504.01)</b>	<b>754.13</b>	<b>4,603.86</b>	<b>5,611.83</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

Place: Mumbai

Date: 17th May, 2019

**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

## 2 PROPERTY, PLANT AND EQUIPMENTS, CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS (Owned, Unless stated otherwise)

Particulars/ Assets	(₹ in Lakhs)											
	Free hold Land	Lease hold Land Premium	Lease hold Land	Buildings	Plant & Equipments	Office Equipments	Vehicles	Furniture & Fixtures	Tangible Assets Sub Total	Capital Work in Progress	Computer Software	Total Assets
<b>Gross Carrying amount</b>												
<b>Balance as at April 1, 2017</b>	9,481.14	0.06	6,748.57	9,821.33	38,729.72	547.59	252.85	530.56	66,111.82	7.91	130.43	66,250.16
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>	9,481.14	0.06	6,748.57	9,821.33	38,718.57	551.21	229.59	529.53	66,080.00	21.11	130.43	66,231.54
Additions	-	-	-	-	229.64	11.56	17.23	5.61	264.04	1,415.86	3.04	1,682.94
Deductions/ Disposals	-	-	-	-	-	2.13	-	4.48	6.61	13.20	-	19.81
<b>Balance as at March 31, 2019</b>	9,481.14	0.06	6,748.57	9,821.33	38,948.21	560.64	246.82	530.66	66,337.43	1,423.77	133.47	67,894.67
<b>Accumulated Depreciation / Amortisation</b>												
<b>As at April 1, 2017</b>	-	0.04	286.36	4,067.62	12,056.11	524.09	239.16	396.27	17,569.65	-	125.14	17,694.79
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>	-	0.04	342.89	4,643.19	13,187.35	526.80	218.62	435.07	19,353.96	-	125.14	19,479.10
Depreciation charge for the year	-	-	59.01	557.18	1,260.01	6.48	1.49	28.43	1,912.60	-	0.85	1,913.45
Deductions/ Disposals	-	-	-	-	-	1.71	-	3.91	5.62	-	-	5.62
<b>Balance as at March 31, 2019</b>	-	0.04	401.90	5,200.37	14,447.36	531.57	220.11	459.59	21,260.94	-	125.99	21,386.93
<b>Net Carrying amount</b>												
As at March 31, 2019	9,481.14	0.02	6,346.67	4,620.96	24,500.85	29.07	26.71	71.07	45,076.49	1,423.77	7.48	46,507.74
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	21.11	5.29	46,752.44

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

3. INVESTMENTS PARTICULARS	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Other Investments</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
(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 Bhojeepera Co-operative Cane Development Union Ltd.	-	-
(vi) 10 Shares of ₹ 1000/- each (P.Y.: 10 Shares of ₹ 1000/- each) of Antophill Warehousing Company Ltd.	0.10	0.10
<b>Total (a)</b>	<u>0.40</u>	<u>0.40</u>
<b>(b) In fully paid Equity Shares Through FVTOCI (Quoted)</b>		
10,40,000 Shares of ₹ 5/- each (P.Y.: 10,40,000 Shares of ₹ 5/- each) of Kesar Terminals and Infrastructure Limited.	655.20	1,328.60
<b>(c) Investment in Government Security (At amortised Cost)</b>		
National Savings Certificates (Lodged as security deposit)	0.89	1.39
<b>Total (b+c)</b>	<u>656.09</u>	<u>1,329.99</u>
<b>Total (a+b+c)</b>	<u>656.49</u>	<u>1,330.39</u>
Aggregate amount of Unquoted Investment Carried at Cost	1.29	1.79
Aggregate amount of Quoted Investment at Market Value	655.20	1,328.60
<b>Total</b>	<u>656.49</u>	<u>1,330.39</u>
<b>4. LOANS</b>		
(a) Security Deposits	25.40	21.72
(b) Other Loans and Advances		
Unsecured, considered good	-	-
Doubtful	47.00	54.18
	<u>47.00</u>	<u>54.18</u>
Less: Allowance for bad and doubtful loans and advances	47.00	54.18
	<u>-</u>	<u>-</u>
<b>Total</b>	<u>25.40</u>	<u>21.72</u>
<b>5. OTHERS</b>		
(a) Fixed Deposits with Bank	29.40	151.62
(Under lien for issuing various Bank Guarantees in favour of Government authorities)		
(b) Interest Accrued on Bank Fixed Deposits	17.09	11.61
(c) Interest Accrued on Investments	0.41	0.79
<b>Total</b>	<u>46.90</u>	<u>164.02</u>

6. DEFERRED TAX ASSETS (NET) PARTICULARS	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
MAT Credit entitlement	16.94	16.94
<b>Total</b>	<b>16.94</b>	<b>16.94</b>
7. OTHER NON-CURRENT ASSETS		
Balance with Government Authorities	261.61	288.00
<b>Total</b>	<b>261.61</b>	<b>288.00</b>
8. INVENTORIES		
<b>(a) Raw Materials and components</b>		
(i) Molasses	0.36	0.36
(ii) Malt Spirit	8.33	8.33
	<b>8.69</b>	<b>8.69</b>
<b>(b) Work-in-progress</b>		
(i) Sugar	499.44	511.61
(ii) Molasses	12.82	1.16
	<b>512.26</b>	<b>512.77</b>
<b>(c) Finished goods</b>		
(i) Sugar	9,332.66	6,068.97
(ii) Spirits	4.67	67.79
(iii) Banked Power	13.73	5.49
	<b>9,351.06</b>	<b>6,142.25</b>
<b>(d) By - Products</b>		
(i) Molasses	245.20	8.43
(ii) Bagasses	935.51	1,036.08
	<b>1,180.71</b>	<b>1,044.51</b>
<b>(e) Stores and spares</b>		
	393.38	331.67
<b>Total</b>	<b>11,446.10</b>	<b>8,039.89</b>
9. CURRENT INVESTMENTS		
Investment in Mutual Funds (Unquoted)		
6,99,463 Units in HDFC Liquid Fund Direct Plan Growth Option (P.Y. Nil)	257.28	-
	<b>257.28</b>	-
Aggregate amount of Unquoted Investment at Market Value (NAV)	257.28	-
Aggregate amount of Unquoted Investment Carried at Cost	253.06	-
10. TRADE RECEIVABLES		
Unsecured, considered good	5,449.99	2,894.43
Doubtful	439.41	387.26
	<b>5,889.40</b>	<b>3,281.69</b>
Less: Allowance for bad and doubtful debts	439.41	387.26
<b>Total</b>	<b>5,449.99</b>	<b>2,894.43</b>

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11. CASH AND CASH EQUIVALENTS PARTICULARS		(₹ in Lakhs)		
		As at 31st March, 2019	As at 31st March, 2018	
(a) Balance with Bank				
(i) On Current Account		70.82	179.98	
(ii) On Fixed Deposits Accounts with original maturity of less than 3 months		85.00	-	
(b) Cash on hand		8.99	1.29	
<b>Total</b>		<b>164.81</b>	<b>181.27</b>	
<b>12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS</b>				
(a) On Unclaimed Dividend Accounts		-	1.17	
(b) Fixed deposit with Bank (More than 3 months & less than 12 months)		165.25	150.00	
<b>Total</b>		<b>165.25</b>	<b>151.17</b>	
<b>13. LOANS</b> (Unsecured, Considered good)				
a) Advances to Employees		5.19	3.17	
b) Receivables from Related Party		-	24.01	
<b>Total</b>		<b>5.19</b>	<b>27.18</b>	
<b>14. OTHER - CURRENT ASSETS</b>				
Others (advance excise duty, advance to supplier & Others)		177.66	142.91	
<b>Total</b>		<b>177.66</b>	<b>142.91</b>	
<b>15. EQUITY SHARE CAPITAL</b>				
PARTICULARS	As at 31st March, 2019		As at 31st March, 2018	
	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
Preference Shares of ₹ 10/- each	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
<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>(a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period</b>				
<b>Equity Shares Outstanding</b>	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
Shares outstanding at the beginning of the year	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>(b) Terms/rights attached to Equity Shares</b>				
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.				
<b>(c) Details of Shareholders holding more than 5% Shares in the Company</b>				
<b>Equity Shareholder</b>				
<b>Name of Shareholder</b>	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Kesar Corporation Pvt. Ltd.	23,37,922	23.19	23,37,922	23.19
Seel Investments Pvt. Ltd.	32,25,699	32.00	32,25,699	32.00
H R Kilachand	5,73,976	5.69	5,56,352	5.52



## 16. OTHER EQUITY

(₹ in Lakhs)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
(a) <b>Capital Reserves</b>	67.90	67.90
(b) <b>Securities Premium</b>		
<b>Opening Balance</b>	801.05	801.05
Add : Securities premium credited on Share issued	-	-
<b>Closing Balance</b>	<b>801.05</b>	<b>801.05</b>
(c) <b>Revaluation Reserves</b>		
<b>Opening Balance</b>	27,186.24	28,080.87
Less: Transfer to General Reserve	1,011.32	894.63
<b>Closing Balance</b>	<b>26,174.92</b>	<b>27,186.24</b>
(d) <b>Storage and Effluent Disposal Reserves:</b>		
(Refer Note No 36)		
(i) <b>Storage Reserves for Alcohol:</b>		
<b>Opening Balance</b>	5.26	5.26
Add: Current Period Transfer	-	-
<b>Closing Balance</b>	<b>5.26</b>	<b>5.26</b>
(ii) <b>Storage Reserves for Molasses:</b>		
<b>Opening Balance</b>	58.43	56.07
Add: Current Period Transfer	3.92	2.36
<b>Closing Balance</b>	<b>62.35</b>	<b>58.43</b>
(iii) <b>Effluent Disposal Reserves</b>		
<b>Opening Balance</b>	5.59	5.59
Add: Current Period Transfer	-	-
<b>Closing Balance</b>	<b>5.59</b>	<b>5.59</b>
(e) <b>General Reserve</b>		
<b>Opening Balance</b>	4,225.35	3,330.72
Add: Transfer from Revaluation Reserve	1,011.32	894.63
<b>Closing Balance</b>	<b>5,236.67</b>	<b>4,225.35</b>
(f) <b>Retained Earning</b>		
<b>Opening Balance</b>	(24,481.63)	(19,809.96)
Less: Net Loss for the Year	(4,022.38)	(4,671.67)
<b>Closing Balance</b>	<b>(28,504.01)</b>	<b>(24,481.63)</b>
(g) <b>Other Comprehensive Income (OCI)</b>		
<b>Opening Balance</b>	1,468.91	2,156.95
Other Comprehensive Income	(714.78)	(688.04)
<b>Closing Balance</b>	<b>754.13</b>	<b>1,468.91</b>
<b>Total</b>	<b>4,603.86</b>	<b>9,337.10</b>

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PARTICULARS	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>17. BORROWINGS</b>		
<b>(a) Secured Borrowings</b>		
<b>Term Loans from Banks</b>		
<b>(1) Sugar Development Fund (Modernisation Loan)</b>	272.33	453.89
<b>(As appearing in the books)</b>		
<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.		
<b>Tranche II:</b> Repayable in 5 annual installments of ₹ 46.72 Lakhs each, starting from August 15, 2018. to August 15, 2022.		
<b>(2) Sugar Development Fund (Co-Gen Term Loan)</b>	-	158.46
<b>(As appearing in the books)</b>		
<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.		
<b>Tranche II:</b>		
<b>Terms of Repayments:</b> Repayable in 10 half yearly installments of ₹158.47 Lakhs each, starting from March 2015 to September 2019.		
<b>Total Secured Borrowings</b>	<u>272.33</u>	<u>612.35</u>
(Out of the total secured borrowings of ₹ 13,845.54 Lakhs (P.Y. ₹ 15,010.80 Lakhs), borrowings of ₹ 13,573.21 Lakhs (P.Y. ₹ 14,398.45 Lakhs) having current maturities, have been disclosed in Note No: 22)		
<b>(b) Unsecured Borrowings</b>		
Loans from Related Parties (Refer Note No 40)	133.84	170.00
<b>Total Unsecured Borrowings</b>	<u>133.84</u>	<u>170.00</u>
<b>Total (a+b)</b>	<u><u>406.17</u></u>	<u><u>782.35</u></u>

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

PARTICULARS	(₹ in Lakhs)		
	As on March 31, 2019		
	Banks	Others	Total
0-90 Days	-	-	-
90-180 Days	-	-	-
More Than 180 Days	-	27.33	27.33
<b>Total</b>	<u>-</u>	<u>27.33</u>	<u>27.33</u>

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

PARTICULARS	(₹ in Lakhs)		
	As on March 31, 2018		
	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>	<u><u>1,197.61</u></u>	<u><u>3,617.01</u></u>	<u><u>4,814.62</u></u>

	(₹ in Lakhs)	
PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
<b>18. PROVISIONS</b>		
<b>Provision for Employees Benefits</b>		
(i) Leave Encashment (Non funded)	76.72	69.57
(ii) Gratuity (Funded)	663.12	621.85
<b>Total</b>	<b>739.84</b>	<b>691.42</b>
<b>19. OTHER NON CURRENT LIABILITIES</b>		
Deposits from Dealers & Customers	51.30	62.51
(Repayable on cancellation of distributionship and Interest in the range of 9% to 12% p.a.)		
<b>Total</b>	<b>51.30</b>	<b>62.51</b>
<b>20. BORROWINGS</b>		
<b>(a) Secured Loans from Banks</b>		
Cash Credit Facilities (As appearing in the books)		
U. P. Co - Operative Bank	6,297.18	6,297.18
<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>(b) Unsecured loans from Banks</b>		
(as appearing in books)		
From UCO Bank	2,660.50	2,660.50
Rate of Interest in the range of 7% to 13.70%		
<b>Total</b>	<b>8,957.68</b>	<b>8,957.68</b>
<b>Details of Default in repayment of Principal Instalment &amp; Interest</b>		
<b>PARTICULARS</b>	<b>As on March 31, 2019</b>	<b>As on March 31, 2018</b>
	<b>Banks</b>	<b>Banks</b>
0-90 Days	70.19	72.83
90-180 Days	66.39	148.90
More Than 180 Days	3,558.12	3,188.29
<b>Total</b>	<b>3,694.70</b>	<b>3,410.02</b>
<b>21 TRADE PAYABLES</b>		
For goods and services received		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer note no. 37)	125.79	198.06
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17,613.67	10,851.40
<b>Total</b>	<b>17,739.46</b>	<b>11,049.46</b>

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PARTICULARS	(₹ in Lakhs)	
	As on March 31, 2019	As on March 31, 2018
<b>22. OTHERS</b>		
<b>(a) Current maturities of Long Term Debts</b>		
(i) Current maturities of Long Term Debts - Secured Borrowings (As appearing in the books) (Refer Note No 17)	3,044.49	3,869.74
(b) Recalled Long Term Borrowings including Interest (Secured) (As appearing in the books) ( Refer Note No 1 & 2 below)	15,168.93	13,364.66
(c) Recalled Short Term Borrowings including Interest (Secured) (As appearing in the books) ( Refer Note No. 3 below)	8,108.70	7,208.87
(d) Interest accrued but not due on Borrowings	164.05	161.39
(e) Interest accrued and due on Borrowings	3,512.89	2,059.02
(f) Unpaid Dividends (Investor Education and Protection Fund will be credited by following amounts as and when due)	-	1.17
<b>Total</b>	<b>29,999.06</b>	<b>26,664.85</b>

## (1) Allahabad Bank ( Cogen Term Loan)

**Primary Security:** 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 Division at Baheri Project both present and future. **Collateral Security:** 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.

**Personal Guarantee:** Personal Guarantee of Shri H R Kilachand

**Terms of Repayments:** 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.

## (2) UCO Bank (Cogen Term Loan)

**Primary Security:** 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 Power Division both present and future. **Collateral Security:** 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

**Personal Guarantee:** Personal Guarantee of Shri H R Kilachand

**Terms of Repayments:** 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.

## (3) Allahabad Bank (Cash Credit)

**Security:**

**Sugar Division:** Secured by pledge of Sugar Stock and second pari passu charge on Fixed Assets of Sugar and Spirit Division

**Spirit Division:** Secured by way of hypothecation of Current Assets of Sugar Division (except Sugar Stock pledged) & Spirit Division and by second pari passu charge on Fixed Assets of Sugar & Spirit Division at village Baheri (U.P.)

**Seed Division:** Secured by way of hypothecation of Current Assets of Seed Division and second pari passu charge on Fixed Assets of Sugar & Spirit Division at village Baheri (U.P.)

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

(₹ in Lakhs)

PARTICULARS	As on March 31, 2019		
	Banks	Others	Total
0-90 days	4,576.38	583.82	5,160.20
90-180 days	1,398.57	-	1,398.57
More than 180 days	9,193.98	3,628.56	12,822.54
<b>Total</b>	<b>15,168.93</b>	<b>4,212.38</b>	<b>19,381.31</b>

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

PARTICULARS	As on March 31, 2018		
	Banks	Others	Total
0-90 days	406.38	-	406.38
90-180 days	799.49	-	799.49
More than 180 days	13,320.43	-	13,320.43
<b>Total</b>	<b>14,526.30</b>	<b>-</b>	<b>14,526.30</b>

## 23. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	As at 31st March, 2019	As at 1st March, 2018
(a) Advance received from Customers	299.13	106.95
(b) Payable to Related Party (Refer Note No 40)	251.67	238.70
(c) Statutory Dues	53.39	110.27
(d) Payables for Capital Goods	498.54	358.20
(e) Payables for Other Contractual Obligations	324.49	432.98
(f) Others Payables	105.16	71.00
<b>Total</b>	<b>1,532.38</b>	<b>1,318.10</b>

## 24. PROVISIONS

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Provision for Employees Benefits		
(a) Gratuity (Funded)	96.79	90.30
(b) Leave Encashment (Unfunded)	30.93	30.69
<b>Total</b>	<b>127.72</b>	<b>120.99</b>

## 25. CURRENT TAX LIABILITY (NET)

Provision of Income Tax [Net of Advance Payment of Income Tax ₹ 115.55 Lakhs (P.Y. ₹ 113.53 Lakhs)]	15.92	17.93
<b>Total</b>	<b>15.92</b>	<b>17.93</b>

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## 26. REVENUE FROM OPERATIONS

### PARTICULARS

(₹ in Lakhs)

For the year ended  
on 31st March, 2019

For the year ended  
on 31st March, 2018

#### (A) Sale of Products

##### Manufactured Goods

(i) Sugar (Net)	32,580.98	24,829.88
(ii) Power	7,156.16	5,263.54
(iii) Spirits	-	0.06
(iv) By - Products	59.57	766.60
Less: Transferred to Molasses & Alcohol Storage Reserves and Effluent Disposal Reserves	3.92	2.36

#### Total (a)

39,792.79

30,857.72

#### (B) Other Operating Revenue

(a) Scrap Sale	43.73	14.77
(b) Sale of Renewable Energy Certificate (REC)	285.22	459.08
(c) Sale of Pesticide	168.93	-
(d) Sundry Income	20.53	39.17

#### Total (b)

518.41

513.02

#### Total (a+b)

40,311.20

31,370.74

## 27. OTHER INCOME

(a) Dividend Income	10.52	5.20
(b) Interest Income		
(i) On Fixed Deposits	16.25	13.78
(ii) On Income Tax Refund	0.19	-
(ii) Others	17.19	2.07
(c) Rent	55.44	49.00
(d) Credit Balance Written Back	36.18	73.94
(e) Profit on Sale of Property, Plant and Equipment (Net)	1.03	5.16
(f) Net Gain on sale of Financial Asset	47.94	-
(g) Net Gain arising on Financial Asset measured at FVTPL	4.22	-
(h) Insurance Claims received	3.20	-

#### Total

192.16

149.15

## 28. COST OF MATERIAL CONSUMED

#### (i) Raw Materials Consumed

##### (a) Sugar Cane

Opening Stock	-	-
Add: Purchases	35,289.53	30,673.77
Less: Closing Stock	-	-
Consumption	<u>35,289.53</u>	<u>30,673.77</u>

##### (b) Molasses & Spirits

Opening Stock	8.70	23.12
Less: Closing Stock	8.70	8.69
Consumption	<u>-</u>	<u>14.43</u>

##### (c) Bagasse

555.78

692.46

#### (ii) Packing Material Consumed

370.55

315.34

#### Total

36,215.86

31,696.00

# KESAR ENTERPRISES LIMITED

(₹ in Lakhs)

PARTICULARS	For the year ended on 31st March, 2018	For the year ended on 31st March, 2018
<b>29. EXCISE DUTY ON SALES</b>		
Excise Duty	-	61.18
<b>Total</b>	-	<b>61.18</b>
<b>30. CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS</b>		
<b>(a) Opening Stock</b>		
Finished Goods	6,142.25	962.03
Work- in - Progress	512.77	27.90
By Products	1,044.52	936.02
<b>Total (a)</b>	<b>7,699.54</b>	<b>1,925.95</b>
<b>(b) Closing Stock</b>		
Finished Goods	9,351.06	6,142.25
Work- in - Progress	512.25	512.77
By Products	1,180.70	1,044.52
<b>Total (b)</b>	<b>11,044.01</b>	<b>7,699.54</b>
<b>Total (a-b)</b>	<b>(3,344.47)</b>	<b>(5,773.59)</b>
<b>31. EMPLOYEE BENEFIT EXPENSES</b>		
(a) Salaries and Wages	2,059.46	1,891.42
(b) Gratuity expenses	85.43	92.22
(c) Contribution to Provident fund	152.18	142.29
(d) Contribution to Superannuation scheme	7.23	8.46
(e) Staff Welfare	19.23	20.12
<b>Total</b>	<b>2,323.53</b>	<b>2,154.51</b>
<b>32. FINANCE COSTS</b>		
<b>(a) Interest Expense</b>		
(i) On Term Loan	2,354.57	2,175.38
(ii) On Cash Credit	1,783.97	1,805.59
(iii) On Short Term Borrowings	284.67	295.37
(b) Others Financial charges	54.98	40.32
<b>Total</b>	<b>4,478.19</b>	<b>4,316.66</b>

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PARTICULARS	(₹ in Lakhs)	
	For the year ended on 31st March, 2018	For the year ended on 31st March, 2018
<b>33. OTHER EXPENSES</b>		
(a) Stores and Spares	549.33	291.07
(b) Power and Fuel	89.22	77.51
(c) Repairs		
(i) Plant and Equipments	1,173.78	515.98
(ii) Building	60.41	44.10
(iii) Others	110.24	69.67
(d) Rent	16.46	15.02
(e) Insurance	30.50	29.29
(f) Rates and Taxes	72.92	34.08
(g) Commission and Brokerage	64.24	47.14
(h) Legal Charges	96.70	97.94
(i) Penalty & Fine	6.45	-
(j) Loading and Unloading Charges	224.24	292.57
(k) Foreign Travelling Expenses	-	0.48
(l) Travelling Expenses	106.21	62.11
(m) Transportation and Freight & Forwarding	2.29	1.61
(n) Security and Other Labour Charges	67.63	61.45
(o) Directors Sitting Fees	5.80	4.40
(p) Auditors Remuneration		
(i) Audit Fees	4.20	4.20
(ii) For Certification	2.80	2.30
(iii) Out of Pocket Expenses	0.82	0.46
(q) Cost Audit Fees	0.75	0.75
(r) Allowance for bad and doubtful debts	52.15	150.58
(s) Bad Debts /Advances written off	8.34	-
(t) Miscellaneous Expenses	193.70	114.95
<b>Total</b>	<b>2,939.18</b>	<b>1,917.66</b>



### 34. 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 ₹ 6.86 Lakhs (Previous Year ₹ 19.52 Lakhs)
- (ii) Disputed sales tax, entry tax, trade tax and excise duty cases under appeal – ₹ 7,012.11 Lakhs (Previous Year ₹ 9,269.19 Lakhs)

PARTICULARS	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Central Sales Tax	74.44	72.76
Entry Tax (U.P.)	1,266.68	1,270.18
Trade Tax (U.P.)	92.49	92.49
Excise Duty	5,561.21	7,816.48
Others	17.28	17.28
<b>Total</b>	<b>7,012.11</b>	<b>9,269.19</b>

### 35. Capital and other commitments

PARTICULARS	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Towards Property Plant and Equipment	170.95	-

36. Alcohol and Molasses Storage Reserves and Effluent Disposal Reserves amounting to ₹ 73.20 Lakhs (P.Y. ₹ 69.28 Lakhs) are not deposited with a Scheduled Bank since it is reserved by the Company for utilization for provision and maintenance of adequate storage facilities as required under Uttar Pradesh Sheera Niyamtran (Sansodhan) Adesh, 1974.

37. 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, 2019	As at 31st March, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier	125.79	198.06
The amount of Principal and interest paid beyond the appointed day	146.34	73.54
The amount of interest due and payable on delayed payments	14.96	27.51
The amount of interest accrued and remaining unpaid	93.27	78.31
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

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

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## 38. Employee Benefit

### Defined Contribution Plans

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

PARTICULARS	(₹ in Lakhs)	
	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
Employer's Contribution to Provident Fund	152.17	142.29
Employer's Contribution to Super Annuation Fund	7.23	8.46

### 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, 2019	For the year ended on 31st March, 2018
<b>(a) The amounts recognized in the balance sheet are as follows:</b>		
Present Value of funded obligations	(788.25)	(764.89)
Fair Value of plan assets	28.34	52.74
Net liability (Amount shown in Balance Sheet as Liabilities)	<b>(759.91)</b>	<b>(712.15)</b>
<b>(b) The amounts recognized in the statement of profit and loss are as follows:</b>		
Current service cost	30.53	30.44
Interest on obligation	54.91	43.17
Past Service Cost	-	21.29
Expected return on plan assets	-	-
Net actuarial losses / (gains) recognized in year	-	-
Plan assets (Contributions) / transfers by employer	-	-
Total included in employee benefit expense	<b>85.44</b>	<b>94.90</b>
<b>(c) Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:</b>		
Opening defined benefit obligation	764.89	713.94
Service costs	30.53	30.44
Interest costs	58.97	48.69
Past Service Costs	-	21.29
Benefit Directly paid by Employer	(25.79)	-
Benefits paid	(80.12)	(67.61)
Actuarial (Gain/Losses on Obligation – Due to Change in Financial Assumptions	5.10	39.46
Actuarial (Gain/Losses on Obligation – Due to Expenses	34.67	57.60
Closing defined benefit obligation	<b>788.25</b>	<b>764.89</b>

(₹ in Lakhs)

PARTICULARS	<b>Defined Benefit (Gratuity) Plan</b>	
	<b>For the year ended on 31st March, 2019</b>	<b>For the year ended on 31st March, 2018</b>
<b>(d) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:</b>		
Opening fair value of plan assets	52.75	80.94
Expected return on plan assets	4.06	5.51
Assets transferred out/ divestment	-	10.67
Contributions	53.25	25.00
Benefits paid	(80.12)	(67.61)
Return on Plan Assets	(1.61)	(1.76)
Closing defined benefit obligation	<b>26.33</b>	<b>52.75</b>
The Company has invested in LIC Group Gratuity Scheme and hence the investment pattern is defined by LIC as per the Scheme.		
<b>(e) The amount recognized in the other comprehensive Income (OCI) is as follows:</b>		
Actual (Gains) / Losses on Obligation	39.76	18.14
Return Plan Assets	1.61	1.76
Net actuarial losses / (gains) recognized in OCI	<b>41.37</b>	<b>19.90</b>
<b>(f) The Reconciliation of Balance Sheet in the statement are as follows:</b>		
Opening net Liability	712.15	633.00
Expenses recognized in Statement of Profit and Loss	85.44	94.90
Expenses recognized in OCI	41.37	19.90
Net Liability Transfer	-	(10.67)
Benefit Directly Paid By Employer	(25.79)	-
Employers Contribution	(53.26)	(25.00)
Net Liability/(Assets) Recognised in the Balance Sheet	<b>759.91</b>	<b>712.15</b>
<b>(g) The amount recognized Interest Cost in the statement are as follows:</b>		
Present Value of Benefit Obligation	764.89	713.94
Fair Value of Plant Assets	(52.74)	(80.94)
Net Liability / (Assets) At the Beginning	712.15	633.00
Interest Cost	58.97	48.69
Interest Income	(4.07)	(5.52)
Net Interest cost for Current Period	<b>54.91</b>	<b>43.17</b>

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(h) The amount Expenses recognized for in the statement of Profit and Loss for next year are as follows:  
(₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	Current Period	Previous Period
Current Service Cost	34.00	30.53
Interest Cost	57.68	54.91
Expected Contribution by the Employees	-	-
Expenses Recognised	91.68	85.44

(i) Principal actuarial assumptions at the balance sheet date (expressed as weighted average):

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
Discount rate	7.59%	7.71%
Salary escalation rate	6.00%	6.00%
Expected return on plan assets	7.59%	7.71%
Rate of Employees Turnover	2.00%	2.00%

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

PARTICULARS	Defined Benefit (Gratuity) Plan				
	For the year ended on 31st March, 2019	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
Defined benefit obligation	788.25	764.89	713.94	720.34	739.27
Plan assets	28.34	52.74	80.94	162.34	271.51
Surplus/ (deficit)	(759.91)	(712.15)	(633.00)	(558.00)	(467.76)

(k) Experience Adjustment:

PARTICULARS	Defined Benefit (Gratuity) Plan				
	For the year ended on 31st March, 2019	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
On plan Liability (Gains)/ Losses	34.67	57.60	(40.73)	(38.13)	36.36
On plan Assets Gains/ (Losses)	(1.61)	(1.76)	(12.27)	(0.00)	(2.43)

(l) Maturity Analysis of the Benefit Payments : From the Fund

Projected Benefits Payable in Future Years From the Date of Reporting

PARTICULARS	₹ in Lakhs	
	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
1st Following Year	91.89	106.91
2nd Following Year	40.28	27.84
3rd Following Year	86.12	81.30
4th Following Year	79.93	85.59
5th Following Year	113.93	74.88
Sum of Years 6 to10	503.84	477.86
Sum of Years 11 and Above	457.51	421.78

(ii) **Other Employee Benefit**

The liability for leave entitlement as at March 31, 2019 is ₹ 107.65 (P.Y. ₹ 100.26) disclosed under Long Term Provision (Refer Note No. 18) and Short-Term Provision (Refer Note No. 24)

(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 2019 and March 31, 2018 are as shown below.

PARTICULARS	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
Projected Benefit Obligation on Current Assumptions	788.25	764.89
Delta Effect of +1% Change in Rate of Discounting	(40.73)	(40.38)
Delta Effect of -1% Change in Rate of Discounting	44.85	44.58
Delta Effect of +1% Change in Rate of Salary Increase	44.76	44.85
Delta Effect of -1% Change in Rate of Salary Increase	(41.70)	(41.37)
Delta Effect of +1% Change in Rate of Employee Turnover	3.49	3.99
Delta Effect of -1% Change in Rate of Employee Turnover	(3.77)	(4.31)

(₹ in Lakhs)

1) The Company has a defined benefit gratuity plan in India (Funded). The company's defined benefit gratuity plan is a final salary plan for employees. 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 Government Securities 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.

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

The Company has recognised ₹ 18.46 Lakhs (P.Y. ₹ 9.26 Lakhs) in statement of Profit and Loss based on actuarial valuation.

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## 39. 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

- Sugar
- Power
- Spirits

Financial Information about the primary business segment:

Figures for the year ended 31st March, 2019 indicated in bold. Previous Period figures indicated in the row there below:

PARTICULARS	(₹ in Lakhs)			
	Sugar	Power	Spirits	Total
<b>(a) Revenue from Operations</b>				
Sales (Including Inter Division/ Segment Revenue and Net of Intra Division Revenue)	<b>38,980.70</b>	<b>14,107.75</b>	<b>0.00</b>	<b>53,088.45</b>
	31,165.34	10,471.38	0.06	41,636.78
Other Income	<b>59.13</b>	<b>13.05</b>	<b>8.06</b>	<b>80.24</b>
	93.80	12.76	5.06	111.62
Less: Inter Segment Revenue	<b>6,110.88</b>	<b>6,666.37</b>	-	<b>12,777.25</b>
	5,517.37	4,748.67	-	10,266.04
Add: Unallocable Income				<b>111.92</b>
				37.53
<b>Total Revenue</b>				<b>40,503.36</b>
				31,519.89
<b>(b) Segmental Results</b>				
Segmental Result before Interest, Exceptional Items & Tax	<b>(4,298.21)</b>	<b>5,716.56</b>	<b>(494.20)</b>	<b>924.15</b>
	(3,550.81)	4,091.46	(312.22)	228.43
Less: Finance Cost				<b>4,478.19</b>
				4,316.66
Less: Unallocable Expenses Net of Unallocable Income				<b>468.34</b>
				583.44
Less: Exceptional Items				-
				-
Profit /(Loss) Before Tax				<b>(4,022.38)</b>
				(4,671.67)
Less: Current Tax				-
				-
Less: Deferred Tax				-
				-
Profit / (Loss) after Tax				<b>(4,022.38)</b>
				(4,671.67)

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PARTICULARS	Sugar	Power	Spirits	(₹ in Lakhs) Total
Other Comprehensive Income				(714.78)
				(688.04)
Profit / (Loss) after Other Comprehensive Income				<b>(4,737.16)</b>
				(5,359.71)
<b>(c) Segmental Assets and Liabilities</b>				
(i) Segmental Assets	<b>26,643.17</b>	<b>25,878.82</b>	<b>8,893.25</b>	<b>61,415.24</b>
	23,656.39	24,302.02	7,713.28	55,671.69
Unallocable Assets/ Investments				<b>3,766.12</b>
				4,338.67
<b>Total Assets</b>				<b>65,181.36</b>
				60,010.36
(ii) Segmental Liabilities	<b>36,377.60</b>	<b>19,961.17</b>	<b>985.51</b>	<b>57,324.28</b>
	28,886.02	17,738.02	933.97	47,558.01
Share Capital & Reserves & Surplus				<b>5,611.83</b>
				10,345.07
Unallocable Liabilities				<b>2,245.25</b>
				2,107.28
<b>Total Liabilities</b>				<b>65,181.36</b>
				60,010.36
<b>(d) Capital Expenditure and Depreciation</b>				
(i) Capital Expenditure including Capital Work in Progress	<b>264.03</b>	-	<b>1,415.86</b>	<b>1,679.89</b>
	18.32	-	-	18.32
Unallocable				<b>3.05</b>
				2.38
<b>Total</b>				<b>1,682.94</b>
				20.70
(ii) Depreciation/ Amortization	<b>696.71</b>	<b>906.75</b>	<b>227.75</b>	<b>1,831.22</b>
	753.23	786.60	227.39	1,767.22
Unallocable Depreciation				<b>82.23</b>
				51.92
<b>Total Depreciation/ Amortization</b>				<b>1913.45</b>
				1,819.14
(iii) Significant non-cash expenditure other than Depreciation/ Amortization				-

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.

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## 40. 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 Independent Director

Mr. A S Ruia Independent Director

Ms. Bhumika Batra Independent Director (from 14.08.2018)

Mr. P N Dubey Independent 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, 2019 indicated in bold. Previous Year figures indicated in the row there below in brackets:

Nature of Transaction	(₹ in Lakhs)					
	Kesar Terminals & Infrastructure Ltd	Kilachand Devchand & Co. Pvt. Ltd.	Seel Investment Pvt. Ltd	Kesar Corporation Pvt. Ltd.	Kesar Multimodal Logistics Ltd	Others
Expenses Reimbursement	<b>4.15</b> (4.97)	<b>10.93</b> (11.87)			<b>0.12</b> (2.92)	
Sharing of Common Expenses	<b>3.17</b> (89.43)					
Dividend Received	<b>10.40</b> (5.20)					
Sell of Investments/ Asset Allocation	- (2.50)				- -	
Advance given	- (50.00)					
Advance Repaid	- (50.00)					



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(₹ in Lakhs)

Nature of Transaction	Kesar Terminals & Infrastructure Ltd	Kilachand Devchand & Co. Pvt. Ltd.	Seel Investment Pvt. Ltd	Kesar Corporation Pvt. Ltd.	Kesar Multimodal Logistics Ltd	Others
Interest Received on Advance	-					
	(1.31)					
Rent Paid/Provided		<b>17.38</b>				
		(17.38)				
Sitting Fees (Refer note below)						<b>5.80</b>
						(4.40)
Remunerations						-
						(35.93)
Closing Balance						
Receivables	-					
	(24.01)					
Payables		<b>251.67</b>				
		(238.70)				
Investments	<b>655.20</b>					
	(1,328.60)					
Loans			<b>102.34</b>	<b>31.50</b>		
			(130.00)	(40.00)		

**Note:**

(₹ in Lakhs)

Name of the Directors	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
M A Kuwadia	2.80	2.20
A S Ruia		2.60
P N Dubey	0.40	2.20
<b>Total</b>	<b>5.80</b>	<b>4.40</b>

#### 41. Financial Risk Management

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 :

Risk Management	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits

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Risk Management	Exposure arising from	Measurement	Management
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.

#### (a) Ageing

PARTICULARS	(₹ in Lakhs)	
	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
0-180 Days	5,449.99	2,894.43
More than 180 days	439.41	387.26
<b>Total</b>	<b>5,889.40</b>	<b>3,281.69</b>

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

PARTICULARS	(₹ in Lakhs)	
	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
Balance at the beginning of the year	387.26	253.72
Add:- Additional provision made	52.15	158.76
Less:- Provision reversed	-	25.22
<b>Balance at the end of the year</b>	<b>439.41</b>	<b>387.26</b>

### 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	(₹ in Lakhs)	
	Impact on profit before tax	
	This Year	Previous Year
Equity Prices (quoted) – increase by 10%	65.52	132.86
Equity Prices (quoted) – decrease by 10%	(65.52)	(132.86)

## 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:

PARTICULARS	(₹ in Lakhs)	
	Impact on profit before tax	
	This Year	Previous Year
Interest rate – increase by 100 basis points (100 bps)	(254.80)	(254.68)
Interest rate – decrease by 100 basis points (100 bps)	254.80	254.68

## Liquidity Risk

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

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

PARTICULARS	(₹ in Lakhs)			Total
	Less than 1 year	1 to 5 years	> 5 years	
<b>Year ended March 31, 2019</b>				
Borrowing (Refer Note No. 17 & 20)	8,957.68	406.17		9,363.85
Trade Payables (Refer Note No. 21)	17,739.46			17,739.46
Other Financial Liabilities (Refer Note No. 22)	29,999.06			29,999.06
<b>Year ended March 31, 2018</b>				
Borrowing (Refer Note No. 17 & 20)	8,957.68	782.35		9,740.03
Trade Payables (Refer Note No. 21)	11,049.46			11,049.46
Other Financial Liabilities (Refer Note No. 22)	26,664.85			26,664.85

## 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.

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Net Debt		
Borrowing	28,738.67	30,119.89
Cash and Cash Equivalent	164.81	181.27
Equity		
Equity share capital	1,007.97	1,007.97
Other Equity	4,603.86	9,337.10
Debt /Equity Ratio	5.09	2.89

# Annual Report 2018-2019

## 42. Financial Instruments by category

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

(₹ in Lakhs)

PARTICULARS	March 31, 2019			March 31, 2018		
	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL
Financial Assets						
Non-Current Investments						
-Equity instruments	1.29	655.20		1.79	1,328.60	
-Loans	25.40			21.72		
-Other Financial Assets	46.90			164.02		
-Current Investments			257.28	-		
-Trade Receivable	5,449.99			2,894.43		
-Cash and Cash equivalent	164.81			181.27		
-Bank Balance	165.25			151.17		
-Loans	5.19			27.18		
-Other Current Asset	177.66			142.91		
<b>Total financial Asset</b>	<b>6,036.49</b>	<b>655.20</b>	<b>257.28</b>	<b>3,584.49</b>	<b>1,328.60</b>	
Financial Liabilities						
-Long Term Borrowings	406.17			782.35		
-Other Non-current liabilities	51.30			62.51		
-Short Term Borrowings	8,957.68			8,957.68		
-Trade payable	17,739.46			11,049.46		
-Other Financial Liabilities	29,999.06			26,664.85		
-Other Current Liabilities	1,532.38			1,318.10		
<b>Total financial liabilities</b>	<b>58,686.05</b>			<b>48,834.95</b>		

## 43. 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:

(₹ in Lakhs)

PARTICULARS	Level 1	
	As at	As at
	March 31, 2019	March 31, 2018
Financial assets: Investments in equity shares (Quoted) at FVTOCI	655.20	1,328.60
Financial assets: Investments in Mutual Fund (Unquoted) at FVTPL	257.28	-

**44. 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 ₹24.24 Lakhs (P.Y. ₹ 25.56 Lakhs).

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

PARTICULARS	(₹ in Lakhs)	
	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
Profit/(Loss) after tax (₹ in Lakhs)	(4,022.38)	(4,671.67)
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) (₹)	(39.91)	(46.35)
Weighted average no. of equity shares (Dilutive)	1,00,79,682	1,00,79,682
Earnings per equity share (Dilutive) (₹)	(39.91)	(46.35)

46. Company has unabsorbed depreciation and carry forward losses under tax laws, it is probable that evidence of sufficient future taxable income will not be available against which it can be realised. Hence deferred tax asset is not recognised by the Company
47. 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.
48. Sugar cane purchase price for the season 2018-2019 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. 24/2018/2077/46-3-18-3(48)/98-99 dated 01-12-2018 by the State Government of Uttar Pradesh.
49. The Company has incurred substantial losses mainly attributable to high raw material cost i.e. sugarcane price (as fixed by the State Government) and relatively lower price of finished goods i.e. sugar and molasses (determined by market forces based on the demand supply equation) both of which are external factors. 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.
50. 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'

**51 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 on profit as per Income Tax Act required.

# Annual Report 2018-2019

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

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

53 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: 17th May, 2019

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

**H R KILACHAND**

Chairman & Managing Director

DIN:00294835

**ROHIT BALU**

Chief Financial Officer

**ANIL RUIA**

Director

DIN 00296622

**D J SHAH**

Sr. Vice President (Legal) &  
Company Secretary

Place: Mumbai

Date: 17th May, 2019

## 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
2017-2018 ( April 2019)	30	1,47,434.00	16,293.00	11.05
2018-2019	150	9,09,880.00	98,604.80	10.84

## 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
2018-19	0	0

# Annual Report 2018-2019

## FINANCIAL STATISTICS FROM 2008-2009 TO 2018-19

Period/ Year end position	2018-2019	2017-2018	2016-2017	2015-2016 (15 Months)	2013-2014 (18 Months)	2012-2013	2011-2012	2010-2011	2009-2010 \$	2008-2009
Period	1.4.18- 31.3.19	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
Share Capital	1,007.97	1,007.97	1,007.97	1,007.97	999.92	862.02	679.02	679.02	679.02	746.92
Other Equity	* 4,603.86	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
Deferred Tax Liability/ Assets	-	-	-	-	(378.84)	(378.84)	(378.84)	24.84	345.83	650.79
Borrowings	28,748.67	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
Working Capital	(12,803.73)	(7,617.87)	(4,068.12)	(6,133.26)	(1,278.73)	17,132.52	11,276.43	14,819.70	21,886.08	11,935.84
Total Capital Employed	65,181.36	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
Gross Block	* 67,894.67	*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
Net Block	* 46,507.74	*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
Investments	656.49	1,330.39	2,037.23	54.46	54.95	54.95	54.95	52.70	52.44	52.49
Equity Shares										
Book Value (₹)	* 55.67	*102.63	*155.78	* 50.53	* 104.10	* 267.26	* 359.53	47.09	42.84	62.80
Face Value (₹)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
For the Year										
Sales including Excise Duty**	40,311.20	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
Depreciation	1,913.45	1,819.14	1,897.64	2,582.51	2,354.74	1,461.63	558.29	583.10	579.79	738.79
Profit Before Tax	(4,737.16)	(5,359.71)	794.56	(4,905.21)	(12,001.95)	(1,668.20)	(937.97)	42.73	224.59	1,089.84
Profit After Tax	(4,737.16)	(5,359.71)	794.56	(5,322.23)	(12,001.95)	(1,668.20)	(1,998.50)	361.74	239.30	904.39
Equity Dividend %	-	-	-	-	-	-	-	10%	10%	30%
Equity Dividend (Rs in Lakhs)	-	-	-	-	-	-	-	67.90	67.90	203.70

\$ 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.

\*\* Exciseduty included till 30-06-2017.



# **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]

### 84TH ANNUAL GENERAL MEETING ON SEPTEMBER 20, 2019

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

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

(1) Name: \_\_\_\_\_ 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 **84th Annual General Meeting** of the Company, to be held on Friday, September 20, 2019 at 3:30 p.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.	<b>Ordinary Resolution</b> Consider and adopt audited Financial Statements, Reports of the Board of Directors and Auditors;		
2.	<b>Ordinary Resolution</b> Reappointment of Shri H R Kilachand who retires by rotation and is eligible for reappointment;		
3.	<b>Ordinary Resolution:</b> Ratification of remuneration of Rishi Mohan Bansal, Cost Auditor of the Company;		
4.	<b>Special Resolution</b> Reappointment of Shri H R Kilachand as Whole-Time Director designated as Chairman & Managing Director and payment of his remuneration;		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

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

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

Affix  
1 Rupee  
Revenue  
Stamp

#### NOTE:

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



# **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 84th Annual General Meeting of the Company, to be held on Friday, September 20, 2019 at 3:30 p.m. at 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)	190730005
--	-----------

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

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

#### **Note:**

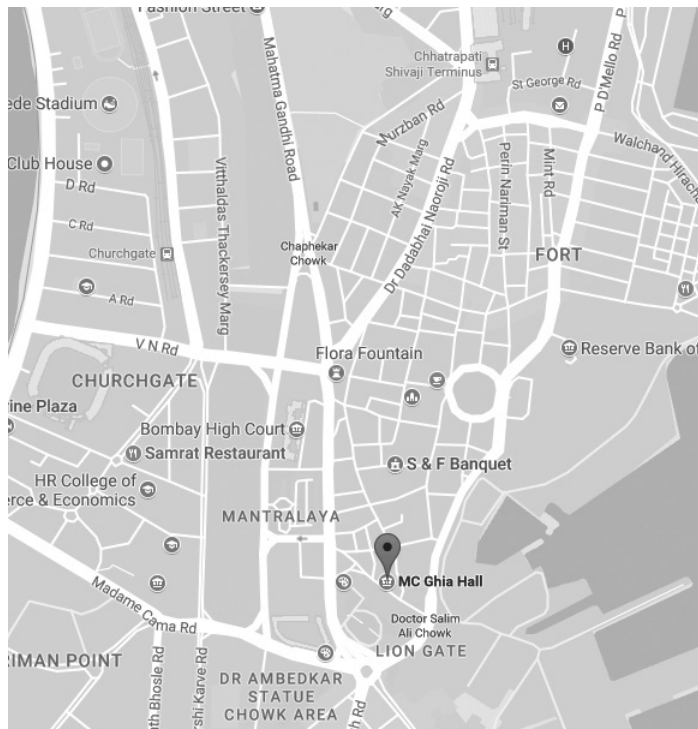
- (1) Please read the instructions printed in Note No. (k) to the Notice of 84th Annual General Meeting to be held on September 20, 2019.
- (2) The Voting period starts from 09:00 hrs. on Monday, September 16, 2019 and ends at 17:00 hrs on Thursday, September 19, 2019.
- (3) The voting module shall be disabled by CDSL for voting thereafter.

Name and Address of the Member:

Signature of Member or Proxy or Representative

\* Applicable for investors holding shares in electronic form.

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













*If undelivered please return to:*

**KESAR ENTERPRISES LIMITED**

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