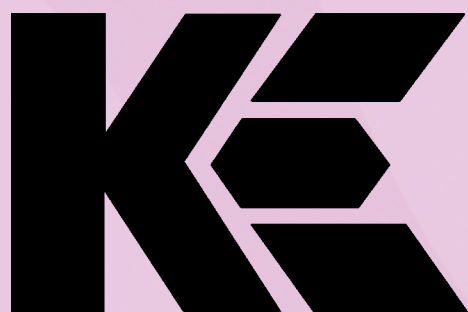


KESAR ENTERPRISES LTD.



79th Annual Report 2012-13

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KESAR ENTERPRISES LTD.

(Incorporated under the Indian Companies Act VII of 1913)

COMPANY INFORMATION

BOARD OF DIRECTORS	: H R KILACHAND (Chairman & Managing Director) A S RUIA K KANNAN K D SHETH SMT. M H KILACHAND AJEET PRASAD P N DUBEY S SETHURAMAN (Nominee Director – GIC) (upto 29.8.2013) P NAYAK (Nominee Director – GIC) (w.e.f. 29.8.2013)
SR. VICE PRESIDENT (LEGAL) & COMPANY SECRETARY	: D J SHAH
BANKERS	: Allahabad Bank Uttar Pradesh Co-operative Bank Limited UCO Bank
AUDITORS	: M/s. Haribhakti & Co. Chartered Accountants
SUGAR FACTORY, SPRITS AND POWER PLANT	: Baheri, Dist. Bareilly, U.P.
REGISTERED OFFICE	: Oriental House 7, Jamshedji Tata Road, Churchgate, Mumbai - 400 020
REGISTRAR & TRANSFER AGENTS	: SHAREX DYNAMIC (INDIA) PVT. LTD. Unit No. 1, Luthra Indl. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai-400 072
AUDIT COMMITTEE MEMBERS	: K D SHETH (Chairman of the Committee) A S RUIA K KANNAN AJEET PRASAD

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NOTICE

NOTICE is hereby given that the **79th** Annual General Meeting of the Members of **KESAR ENTERPRISES LTD.** will be held on **Tuesday, 8th October, 2013** at **3:30 p.m.** at **M C Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001** to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 30th June, 2013 and the Statement of Profit & Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri P Nayak, who retires by rotation, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Ajeet Prasad, who retires by rotation, being eligible, offers himself for reappointment.
4. To appoint Auditors and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification/s, the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 198, 309, 316, Schedule XIII read with Section III thereto and other applicable provisions, if any, of the Companies Act, 1956 including any statutory amendment, modification or re-enactment thereof and other requisite approvals as may be necessary, approval of the Members of the Company, be and is hereby accorded for reappointment of Shri H R Kilachand as Chairman & Managing Director of the Company for a further period of 3 years from 14.8.2013 to 13.8.2016, on a remuneration and on the terms and conditions as per Schedule XIII to the Act, and as specifically set out below:

I. SALARY:

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

- a. Salary of ₹ 3,00,000/- per month or ₹ 36,00,000/- per annum but not exceeding ₹ 4,00,000/- per month or ₹ 48,00,000/- per annum [or any higher limit as may be revised from time to time under the Act] in the scale as may be reviewed by the Board from time to time based on the performance of the Company, subject to specified ceiling limit of the Net Profit;
- b. Incentives, not exceeding the specified ceiling limit of the Net Profit of the Company for each financial year or part thereof computed in the manner as laid down under Section 349 of the Companies Act, 1956 and subject to the overall ceiling laid down under Section 198 and 309 of the Companies Act, 1956 after deducting Salary & Perquisites as provided herein.

OR

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

Salary of ₹ 3,00,000/- per month or ₹ 36,00,000/- per annum but not exceeding Salary ₹ 4,00,000/- per month or ₹ 48,00,000/- per annum [or any higher limit as may be revised from time to time under the Act] plus other Perquisites as mentioned hereunder as Minimum Remuneration as per Para (B) of Part II of Schedule XIII.

II. PERQUISITES:

Shri H R Kilachand shall be entitled to House Rent Allowance not exceeding 60% of the salary, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules being restricted to an amount equal to the annual salary payable to Shri H R Kilachand, subject however to the limit of overall Minimum Remuneration as prescribed under Para (B) of Part II of Schedule XIII.

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

- i. The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund. The same will not be included in the computation of the ceiling limit to the extent of the same either singly or put together are not taxable under the Income Tax Act.
- 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 remuneration as per Para (B) of Part II of Schedule XIII as mentioned above shall nevertheless be paid and allowed to Shri H R Kilachand, Chairman & Managing Director as the minimum remuneration, but not exceeding overall ceiling limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto from time to time, notwithstanding that in any financial year of the Company during the tenure of office of Shri H R Kilachand, the Company may have made no profits or its profits may be inadequate."

"RESOLVED FURTHER THAT Shri H R Kilachand shall not be liable to retire by rotation as a Director subject to Section 256 of the Companies Act, 1956."

"RESOLVED FURTHER THAT the payment of above remuneration shall also be subject to Section III of Schedule XIII of the Companies Act, 1956, which provides that subject to the provisions of Sections I and II of Schedule XIII, Shri H R Kilachand shall draw remuneration from the Company as well as from Kesar Terminals & Infrastructure Ltd. [KTIL] in which Shri Kilachand is appointed as the Whole-time Director designated 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 the respective Companies from time to time considering the higher maximum limit admissible from any one Company i.e. the Company or KTIL."

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and the provisions of the Foreign Exchange Management Act (FEMA), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI) and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India (GOI), the Reserve Bank of India (RBI), SEBI and any other competent or concerned authority and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchanges on which the Company's shares are listed and subject to necessary approvals, permissions, consent and sanctions of the concerned statutory and other authority(ies) and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consent and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board"), which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution, the Board be and is hereby authorised on behalf of the Company

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with powers to delegate such authority to such person or persons as the Board may deem fit, to offer, issue and allot either in India or in the course of international offering(s), in one or more foreign markets, such number of Equity Shares, Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), Qualified Institutional Placements (QIPs), Equity Shares (through Depository Receipt Mechanism), any other Financial Instruments convertible into Equity Shares or otherwise, in the registered or bearer form, any security convertible in or linked to Equity Shares and / or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (hereinafter collectively referred to as "Securities") or any one or combination of such Securities, in one or more tranches, whether rupee denominated or denominated in foreign currency, to foreign / resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Foreign Institutional Investors, Indian / Multilateral Financial Institutions, Mutual Funds, Banks, Insurance Companies, Pension Funds, Qualified Institutional Buyers (QIB's) Non-Resident Indians and / or any other eligible investors, whether they be holders of shares of the Company or not (collectively called the "Investors") through public issue(s), rights issue, preferential issue, private placement(s) or a combination thereof through prospectus, offer document, offer letter, offer circular or otherwise, at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with Lead Managers, upto an amount not exceeding Indian Rupees 125 crore or equivalent foreign currency inclusive of such premium as the Board at its absolute discretion may deem fit and appropriate."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practice and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the GDRs during the duration of the Depository Receipts and the Board be and is hereby authorised at its absolute discretion, in such manner as it may deem fit, to dispose off such of the Securities as are not subscribed."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any Securities or as may be necessary in accordance with the terms of the offering(s), all such shares ranking pari passu with the existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT the pricing of the Securities, GDRs/ FCCBs / ADRs that may be issued, shall be made subject to compliance with applicable laws and regulations."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Advisors and all such Agencies as may be involved or concerned in such offering(s) of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more National and / or International Stock Exchange(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue and allotment of Securities or Equity Shares, as aforesaid, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary, desirable or expedient including the obtaining of permissions / approvals from various authorities as may be required and to settle any questions, difficulties or doubts that may arise in regard to any such offer, issue and allotment."

“RESOLVED FURTHER THAT the acts, deeds, and things already done by the Board, or any persons designated by the Board, in this regard be and are hereby confirmed, approved and ratified.”

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

“RESOLVED THAT pursuant to Section 23 and other applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the applicable provisions of the Companies Act, 1956 or the new Companies Act as and when Notified, and such other laws as may be applicable, the Company hereby considers and takes note of erosion of more than 50% of the Net Worth of the Company as on the financial year ended 30th June, 2013 in relation to its peak Net Worth during the immediately preceding four financial years.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to report such erosion to the Board for Industrial and Financial Reconstruction (BIFR), if required considering the new Companies Act as and when made applicable in the matter.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to delegate its power to any Director, Committee of Directors or any Officer of the Company to give effect to this resolution.”

Registered Office:
Oriental House,
7, Jamshedji Tata Road,
Churchgate,
Mumbai – 400 020
29th August, 2013

By Order of the Board of Directors

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

Notes:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE 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.**
- b) The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 1.10.2013 to Tuesday, 8.10.2013 (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 Dividends upto the financial year 2004-05 and Interim Dividend for the year 2005-06 of the Company, have been transferred to the Investor Education and Protection Fund (Fund) set up by the Central Government pursuant to Section 205C of the Companies Act, 1956. The Final Dividend for the year 2005-06 will be transferred to the Fund on or before 24.12.2013.
- d) The Members may lodge their shares for transfer / transmission with M/s. Sharex Dynamic (India) Pvt. Ltd., the Registrar and Share Transfer Agents at their office at Unit No. 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 or with the Company.
- e) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.

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- f) All documents referred 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) The Members of the Company are requested to provide their email address for serving by electronic mode the notice / documents as a part of the Green Initiative in Corporate Governance introduced by the Ministry of Corporate Affairs vide Circular No.17/2011 & 18/2011 dated 21.4.2011 and 29.4.2011 respectively. The said information / request can be sent by members to M/s. Sharex Dynamic (India) Pvt. Ltd. the Registrar and Share Transfer Agents through email id sharexindia@vsnl.com or the Company's email id djs@kesarindia.com.
- j) As per Clause 49(IV)(G) of the Listing Agreement, the information in detail about Shri P Nayak and Shri Ajeet Prasad, the retiring Directors, is given in para 2 of the Corporate Governance Report.

ANNEXURE TO THE NOTICE

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

Item No. 5: Reappointment of Shri H R Kilachand as Chairman & Managing Director:

The Board has reappointed Shri H R Kilachand as Chairman & Managing Director for a further period of 3 years with effect from 14.8.2013 on remuneration within the ceiling limits provided in Schedule XIII-Part II-Section I, II & III to the Companies Act, 1956.

The remuneration as proposed in the Special Resolution has been approved by the Remuneration Committee, consisting of three Independent Directors. Shri H R Kilachand is also reappointed as Whole-time Director designated as Executive Chairman by the Shareholders of Kesar Terminals & Infrastructure Ltd. [KTIL] at their meeting held on 11.7.2013 for a period of 3 years from 14.9.2013. The said remuneration will be revised by the Remuneration Committee / the Board from time to time considering that the total remuneration drawn & retained by Shri H R Kilachand from both the Companies shall not exceed the higher maximum limit admissible from any one Company i.e. the Company or KTIL in terms of Section III of Schedule XIII to the Companies Act. The Board is also authorised to revise the remuneration of Shri Kilachand as per the provisions of the new Companies Act as and when notified.

Shri H R Kilachand shall not be regarded as a Director liable to retire by rotation.

The Company has not made any default in repayment of any of its debts (including public deposits) or interest payable thereon for a continuous period of 30 days in the preceding financial year.

The Board recommends the Special Resolution as proposed above for your approval.

The abstract of the terms and Memorandum of interest under Section 302(7) of the Companies Act, 1956 with respect to the reappointment of Shri H R Kilachand as Chairman & Managing Director of the Company was sent earlier to all the Members of the Company.

None of the Directors of the Company except Shri H R Kilachand & Smt. M H Kilachand is in any way concerned or interested in the aforesaid resolution.

As required under Schedule XIII, a statement containing relevant information of Shri H R Kilachand is given below:

INFORMATION ABOUT THE APPOINTEE — SHRI H R KILACHAND:

DIN	00294835
Birth Date	04/05/1960
Nationality	Indian
Board Appointment	6.3.1997
Qualification	B.Com., C.B.M., & P.G.D.B.M. (U.S.A.)
Experience	He has been with the Company since August 1985. During the last 27 years, he contributed vital services in the growth of the Company inter-alia Cogen Power Plant, which became operational during the year 2012-13.
Relationship	Promoter Director
Shareholding	556340 Equity Shares [6.45%]
Relationship with other Director	Husband of Mrs. M H Kilachand
List of other Directorship	<ol style="list-style-type: none"> 1. Kesar Terminals & Infrastructure Ltd., 2. Kesar Corporation Pvt. Ltd., 3. Kilachand Devchand & Co. Pvt. Ltd., 4. Indian Commercial Co. Pvt. Ltd., 5. India Carat Pvt. Ltd., 6. Seel Investments Pvt. Ltd., 7. Duracell Investments & Finance Pvt. Ltd., 8. Kilachand Devchand Commercial Pvt. Ltd. 9. Kesar Multimodal Logistics Ltd.

Item No. 6

This resolution relates to the proposal of the Company to offer, issue and allot either in India or in the course of an international offering in one or more foreign markets, by way of equity shares / depository receipts / foreign currency convertible bonds (FCCB) / fully convertible debentures / partly convertible debentures / qualified institutional placements (QIP's) or any other financial instruments convertible into or linked to equity shares or otherwise, or any one or combination of such securities, in one or more tranches and on the terms and conditions as may be decided by the Board of Directors or any Committee thereof, at its absolute discretion, for an amount not exceeding Indian Rupees 125 crore or equivalent foreign currency inclusive of premium payable on conversion, if any.

The objects of this issue is to improve the Net Worth of the Company, to enhance financial flexibility of the Company to fund its capital expenditure plans to part finance expansion / modernisation of the Sugar Factory / Distillery at Baheri, investments in similar facilities etc. The Company is exploring alternatives to mobilise resources from various available sources. It is proposed to raise a sum upto Indian Rupees 125 crore or equivalent foreign currency through public issue(s), rights issue, preferential issue, private placement(s) or a combination thereof through prospectus, offer document, offer letter, offer circular or otherwise.

The detailed terms and conditions for the offer will be determined in consultation with Advisors, Lead Managers, Underwriters and such other authority or authorities and agencies as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors. The pricing of the international offering(s), if any, will be free market pricing and may be at a premium or discount to the market price in accordance with international practice, subject to applicable rules, regulations etc. As the pricing of the offering(s) will be decided at a later stage, the exact number of securities or shares to be issued will depend upon the price so decided. For the aforesaid reasons, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalise the terms of the issue.

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Securities issued pursuant to the international offering(s), if any, will be listed on the Luxembourg Stock Exchange and / or London Stock Exchange and / or Singapore Stock Exchange and / or other Exchange(s) outside India and may be represented by Securities outside India.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies, individuals or otherwise as the Board may at its absolute discretion deem fit. Section 81(1A) of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81(1 A) unless the shareholders in a general meeting decide otherwise.

The Listing Agreement entered into by the Company with the Bombay Stock Exchange and National Stock Exchange on which the Company's shares are listed provides, inter alia, that the Company in the first instance should offer all the shares to be issued by the Company for subscription on a pro rata basis to the equity shareholders unless the shareholders in a general meeting decide otherwise.

The said Special Resolution, if passed, shall have the effect of allowing the Board on behalf of the Company to offer, issue and allot the Securities otherwise than on pro rata basis to the existing shareholders.

The Board of Directors believes that such issue is in the interest of the Company and therefore recommends the resolution for your approval.

No Director of the Company is interested or concerned in the said resolution.

Item No. 7:

The provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 as amended, provides that if the Accumulated losses of an Industrial Company, as at the end of any financial year have resulted in erosion of 50%, or more of its peak Net Worth during the immediately preceding four financial years, then within 60 days from the date of finalisation of the duly audited Accounts of the Company for the relevant financial year, the Company shall –

- (i) Report the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR); and
- (ii) Hold a General Meeting of the Shareholders of the Company for considering such erosion;

The Board of Directors is required to forward to every Shareholder of the Company a Report as to such erosion and the causes for such erosion.

The audited Accounts of the Company for the year ended 30.6.2013 is being adopted at this General Meeting on 8.10.2013. You may note that under the provisions of Section 23 of SICA, the Accumulated losses of the Company for the financial year ended 30th June, 2013 have resulted in erosion of more than 50% of its peak Net Worth during the immediately preceding four financial years. The causes of such erosion and the steps & measures being taken by the Company to improve the same are explained below.

Report of the Board of Directors as to such erosion, causes for such erosion

As per the audited Account of the Company for the year ended 30.6.2013, the Loss of the Company for the year 2012-13 is ₹ 1668.20 lac. The Accumulated Losses amount to ₹ 2934.07 lac. The Net Worth during the immediately preceding 4 financial years are-

Preceding 4 Financial Years	2011-12	2010-11	2009-10	2008-09
Net Worth (₹ in lac)	1339.36	3397.55	3109.13	4464.36

The peak Net Worth is ₹ 4464.36 lac. The Accumulated Losses of ₹ 2934.07 lac is 65.72%, which is more than 50% of the peak Net Worth.

However, you may also note that the calculation of Net Worth is on the basis of book value of the Assets of the Company (without considering Revaluation of its Assets amounting to ₹ 23206 lac).

Under the new Companies Act as and when notified sickness of a Company will be determined not on the basis of whether accumulated losses exceed Net Worth but on the basis of whether the Company is able to pay its debts or not. As on date, the Company is regular in payment of its debts.

Causes for erosion:

The performance of the Company was adversely affected during the years 2011-12 and 2012-13 on account of the following reasons:

1. In the year 2011-12, there was a loss of ₹ 1998.50 lac, which included a one time Exceptional Item relating to the payment of differential cane price of ₹ 1281.54 lac pertaining to the Sugar Season 2007-08 as per the Hon'ble Supreme Court Order dated 17.12.2012.
2. In the year 2011-12 the Company had to sell 10% of its total production of sugar at levy price.
3. In the years 2011-12 and 2012-13, the State Advise Price (SAP) of sugarcane was increased substantially by UP Government by ₹ 40/- per quintal in both the years, increasing it from ₹ 200/- per quintal in the year 2010-11 to ₹ 240/- and further to ₹ 280/- per quintal, respectively, which substantially affected the cost of production of sugar in both the years. As compared to that the market price of sugar remained lower at about ₹ 3,100/- per quintal than the cost of production during both the years ranging between ₹ 2,800/- per quintal and ₹ 3,100/- per quintal.
4. The sugar recovery was lower in both the years as compared to that in the year 2010-11.
5. Distillery was forced to shutdown during the period from 24.12.2012 to 22.2.2013 due to the Kumbhmela.
6. Depreciation of ₹ 866.47 lac claimed on Cogen Power Plant in the year under review.

Steps & Measures

1. Uttar Pradesh Power Corporation Limited (UPPCL) is likely to revise the power tariff upward, which will result into additional profit.
2. In view of the abolition of the Regulated Released Mechanism of sugar quota, the Company will not be pressurized to sell sugar when the market is not favorable and to hold the stock till such time the Company can get a better price of sugar.
3. There will be no levy sugar to be sold at controlled price to the Government, which will result in better realization on the whole.
4. In view of the expectation of less availability of sugarcane in the Sugar Season 2013-14, the average realization of sugar sale rate may improve.
5. In the year 2012-13, the promoters have brought in fresh capital amounting to ₹ 823.50 lac to improve the Net Worth.
6. The Company is taking enabling resolution at this Annual General Meeting to raise further capital, subject to prevailing market conditions, so as to improve further the Net Worth of the Company.

In view of the above, your Directors recommend for your consideration the above Special Resolution.

None of the Directors is interested in the above resolution.

Registered Office:

Oriental House,
7, Jamshedji Tata Road,
Churchgate,
Mumbai – 400 020
29th August, 2013

By Order of the Board of Directors

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

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DIRECTORS' REPORT

To
The Shareholders
Kesar Enterprises Ltd.

Dear Members,

Your Directors present to you the 79th Annual Report and Audited Statement of Accounts for the year ended 30th June, 2013.

FINANCIAL RESULTS:

	2012-13	(₹ in Lacs) 2011-12
Profit / (Loss) before interest, depreciation & taxation	3430.97	1496.66
Less : Interest and Finance Charges.....	3637.54	1876.34
Profit / (Loss) before Depreciation & taxation (Cash Profit)	(206.57)	(379.68)
Less : Depreciation.....	1461.63	558.29
Profit / (Loss) before Exceptional Item & Tax	(1668.20)	(937.97)
Add / (Less): Exceptional Item	—	1281.54
Profit / (Loss) before tax.....	(1668.20)	(2219.51)
Add / (Less): Taxation.....		
(i) Current Tax and MAT adjustment	—	182.67
(ii) Deferred Tax Assets	—	(403.68)
Profit / (Loss) after tax	(1668.20)	(1998.50)

For the year 2012-13, after considering Deferred Tax Assets, there is a loss of ₹ 1,668.20 lac as against a loss of ₹ 1,998.50 lac in the previous year.

In view of the above, your Directors have not recommended any dividend for the year 2012-13.

WORKING OF THE DIVISIONS

Sugar Division

The crushing for the season 2012-13 started on 25.11.2012 i.e. 3 days later as compared to 22.11.2011 in the previous season and ended on 15.4.2013 as against 14.4.2012, 1 day later than the previous season. During the season, the plant crushed 85.80 lac quintals of sugarcane as against 93.18 lac quintals in the previous season. The crushing was lower by 7.38 lac quintals during this season due to lack of availability of sugarcane. The sugar recovery overall was lower at 9.14% as against 9.48% in the previous season. The production of sugar was lower at 7.81 lac quintals, as against 8.88 lac quintals in the previous season.

As a part of Sugar Reforms, in April 2013, the Central Government dispensed with the Regulated Release Mechanism of sugar for domestic consumption with immediate effect. Further, obligation to supply sugar as Levy on production @ 10% at a control rate for Public Distribution System (PDS) has also been done away with for sugar produced from October 2012. The PDS requirements will be procured by the states through open market and the gap will be supported by the Central Government. However, the Deregulation process has remained incomplete as the issue of the State control on cane prices with lack of parity between sugar and cane prices has not been addressed.

The Central Government had hiked the FRP of sugarcane on 26.7.2012 from ₹ 145 per quintal to ₹ 170 per quintal at a base recovery of 9.5% for the season 2012-13.

For the season 2012-13, the U. P. Government had announced a steep hike of ₹ 40 a quintal in the State Advised Price (SAP) of sugarcane fixing SAP at ₹ 280 a quintal as against an already steep ₹ 240 a quintal in the previous year. The cost of production in U.P. has become the highest in the country, which has rendered the U.P. sugar Industry unviable, cash-starved and uncompetitive.

During the season, Molasses produced was 3.98 lac quintals as against 4.36 lac quintals. Bagasse produced was 26.07 lac quintals as against 31.43 lac quintals in the previous season. The Company had consumed almost the entire quantity of bagasse for its Cogeneration Power Plant. The Company had implemented major energy efficient measures in the boiling house of the sugar factory at Baheri, thereby reducing steam and power consumption significantly, resulting in large savings in bagasse.

Power Division

With stupendous efforts of the employees of the Company and full co-operation of manufacturers of various equipments & contractors, the 44 mw Bagasse based Cogeneration Power Plant at Baheri, U.P. was completed in July 2012 in a record time of 18 months inspite of some delay in receiving funds. The trial run of the Plant was made on 17.7.2012 and the plant started commercial operations from 1.10.2012. It is the most efficient and largest capacity single plant in the sugar Cogeneration Sector in U.P. and perhaps in the country having the state-of-the-art Process Control systems with performance monitoring software. During the year under review, the Plant operated for 250 days. The Plant consumed 3.95 lac MT of bagasse as fuel to generate 1.89 lac MW. The total power exported to the grid was 1.47 lac MW amounting to ₹ 70.22 crore. The Plant was stopped from 7.6.2013.

The Sugar Development Fund, Allahabad Bank, UCO Bank and Yes Bank Ltd. have funded the said Project.

Spirits Division

During the year under review, the production of Rectified Spirit (RS) was 83.88 lac bulk litres as against 112.23 lac bulk litres in the previous year. The production of Extra Neutral Alcohol (ENA) was 39.97 lac bulk litres as against 52.43 lac bulk litres in the previous year. The low production was due to the forced shutdown of the Distillery during the period from 24.12.2012 to 22.2.2013 due to the Kumbhmela. The quantity of Country Liquor supplied was 7.57 lac cases as against 11.25 lac cases in the previous year. The sale of IMFL was higher at 2.94 lac cases as against 1.98 lac cases in the previous year. The Company has contract bottling arrangements with reputed parties, which ensures a higher capacity utilisation and reduction in operating overheads. The Company also has tie-up arrangements to get its own brands manufactured in other States.

Agrotech Division:

Farm Land

In the year 1933, the Company was granted agriculture land admeasuring 610 hectares at Khurpia and later the said land was converted into lease for 20 years by the Superintendent of Tarai & Bhabur under the Government Grant Act. Thereafter, it was marked as Bhumidhari. Whereas, the Mundia & Bhavanipur farms were taken on lease. Thus, the Company was in possession of 706.89 hectares of agriculture land situated at Mundia Farm in U.P. and Khurpia & Bhavanipur Farms in Uttaranchal, on which the Company was growing various crops including sugarcane. However, in the year 1976, the Prescribed Authority, Bareilly had passed an Order on 5.7.1976 declaring the above land as surplus under the U.P. Imposition of Ceiling on Land Holding Act, 1960. The Company had filed an Appeal before the District Judge against the said Order, which was partly allowed. Thereafter, there were several court hearings. Finally, on 22.3.2012, the High Court summarily dismissed the Writ Petition against which the Company filed Review Application, which was also dismissed. The Company then filed a Special Leave Petition [SLP], which was dismissed by the Hon'ble Supreme Court. Thereafter, the Company once again filed a fresh Writ Petition in the Allahabad High Court seeking relief for some time to enable the Company to harvest the standing crop and to remove the belongings of the Company. Accordingly, the Court granted time till February 2013. Meantime, the Company could get back 11 hectares of land at Mundia farm and expects about 16 hectares of land at Khurpia farm.

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Crops

So far, the Company has undertaken cultivation of high valued crops of Vegetable and flowers and is developing Bio-pesticides and Bio-fungicides for sugarcane cultivation such as Trichoderma Verdi and Trichocards. Initial trials of these new products have been successful and are now being replicated on a larger scale. The Company has a tissue culture laboratory for rapid multiplication of different sugarcane varieties.

Seed Division

Open Pollinated Seeds produced by the Company for wheat, paddy, mustard, toria, urad and peas have been very well received by the farmers. The Company has undertaken production & marketing of Hybrid Seeds of paddy, maize, sorghum sudan grass & pearl millet and different kinds of Vegetables. The Company has registered vegetable Seeds, which are sold under the brand name of 'Kesar Seeds'. The Company has obtained Seed Licenses in the States of Chattisgarh, Rajasthan, Uttar Pradesh, Uttarakhand, Bihar, Madhya Pradesh, Punjab and Haryana. The Research and Development (R&D) facility for hybrid crop seeds is fully functional near Hyderabad. Simultaneously, the R&D facility for development of vegetable seeds at Kichha, Uttarakhand has been operationalised. Enhanced seed processing capacity of 6 mt/ hr is operational at Kichha, Uttarakhand. The R&D department has released two hybrids such as K-606 (UMANG) and K-707 (HARSH). Both hybrids are well tested at field level and all efforts are being taken to promote them at the farmer's level. This year the Company has revamped the packaging of seeds to meet the expectation of industry and end users. The Company has supplied the seeds taking immense care in production and packing due to which complaints has been minimized.

SUBSEQUENT FINANCIAL YEAR 2013-14

Sugar Division

For the season 2013-14, the Sugar Factory is expected to start by last week of November, 2013.

The Central Government has hiked the FRP of sugarcane on 20.2.2013 from ₹ 170 per quintal to ₹ 210 per quintal at a base recovery of 9.5% for the season 2013-14.

For the season 2013-14, the U P Government has not yet announced the State Advised Price (SAP) of sugarcane.

Power Division

The Cogen Power Plant is expected to start by 2nd week of November 2013 and should run till June 2014.

Spirits Division

The sugar cane crushing is expected to be the same as the previous season. Therefore, the total molasses availability will also be the same. The production of Rectified Spirit / Special Denatured Spirit and ENA should be higher during this year. The sale of Country Liquor will be higher. IMFL is expected to be the same as in the previous year. The contract bottling arrangements continue. The overall performance of the Spirits Division for the current year is likely to be better as compared to the previous year.

Seed Division

With effect from 1.7.2013, the Company has merged its Agrotech Division into Seed Division, in view of surrender of the farm lands by the Company in June 2013, which were declared as surplus under the U.P. Imposition of Ceiling on Land Holding Act, 1960. The Company plans to expand operations in the eastern part of the country by entering Odisha and West Bengal, which hold enormous business potential for paddy and other kharif crops. In the north, operations are being reinforced with the induction of additional marketing force in Punjab and Haryana.

EXPANSION / MODERNISATION

Spirits Division

The Company is eligible to expand 25% capacity of the Distillery under U. P. Excise policy. Considering the current market scenario and in order to reduce overall production cost, the Company is planning to expand & modernise the production capacity of the Distillery from 50,000 BL per day to 62,500 BL per day at the first opportunity.

Seed Division

It is proposed to set up two seed processing plants, one in East Uttar Pradesh, which will service East U.P., Bihar, Jharkhand, Chattishgarh & Odisha and second one in Madhya Pradesh. With these plants, processing capacity is going to be doubled. Hybrid production is being increased as it will result in improved profitability. To cater the need of the existing customers and prospects of future growth, the Company has started outsourcing of products, which will help us to expand the geographical reach and to generate revenue to make the operations effective & profitable.

COMPOSITE LOGISTICS HUB PROJECT AT MADHYA PRADESH

During the year, the Special Purpose Vehicle Company (SPV) Kesar Multimodal Logistics Ltd (KMLL) formed by Kesar Terminals & Infrastructure Limited (KTIL), the Lead Member and the Company had done the 'Bhoomipujan' and 'Foundation Stone Laying' Ceremony on 22.10.2012 at the Project site at Pawarkheda, Madhya Pradesh following which construction activities commenced in full swing. The Composite Logistics Hub, covering an area of 88.3 acres, includes development of an entire range of logistics infrastructure including rail sidings for cargo and container movement, rail-side warehouses, Inland Container Depot (ICD), Cold Storage, food grains warehouse, Agri processing units, development of common facilities, marketing of the same to potential customers along with operation and maintenance thereof. This Project land has been provided by the Madhya Pradesh State Agricultural Marketing Board (Mandi Board) on a Design, Build, Finance, Operate and Transfer (DBFOT) basis through Public Private Participation (PPP). The project will be developed in 2 phases. It is expected the 1st phase will be operational by end of the year or early next year.

The necessary financial tie up of ₹ 108.11 crore has been arranged by KMLL through a Consortium of Bankers i.e. Dena Bank as the Lead Bank and Allahabad Bank and Union Bank of India as the Consortium Banks amounting to ₹ 58.11 crore, ₹ 25 crore and ₹ 25 crore respectively. The Company may not continue participation in this project of Madhya Pradesh.

RAISING FUNDS THROUGH OPTIONALLY CONVERTIBLE PREFERENCE SHARES

You are aware that the Company had sought & got the approval of the Shareholders to raise funds in order to enhance financial flexibility of the Company to fund the capital expenditure plans of the Company and/or to part finance expansion/modernization of the sugar factory/ cogeneration projects at Baheri and/or acquisition/ investments in similar facilities to the extent of ₹ 50 crore.

You are also aware that in view of unfavourable market conditions, at that point of time, not conducive for the Issue of Rights Shares and also in view of substantial reduction of Net Worth of the Company due to loss in the year 2011-12, which resulted into taking immediate steps to improve it, the Company had decided to consider the Rights Issue at an appropriate time, and to consider first, the Issue of Optionally Convertible Preference Shares on Preferential basis to the Promoters / Persons acting in concert with the Promoters in terms of Regulation 3(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Accordingly, on 6.2.2013, the Board had allotted 82,35,000 Zero Coupon Optionally Convertible Preference Shares ("OCPS") of ₹ 10/- each fully paid-up aggregating to ₹ 8,23,50,000/- to the Promoters & Persons acting in concert with the Promoters (Promoter Group Companies) on Preferential basis with an option to convert the OCPS within a period of 18 months from the date of allotment i.e. 6.2.2013, either partly or fully, in one or more tranches, in one or more financial years, by giving in writing 3 days advance notice to the Company as approved by the Shareholders through Postal Ballot voting process on 22.1.2013.

Thereafter, the Promoter & Persons acting in concert with the Promoters (Promoter Group Companies) had exercised their option to convert OCPS in two tranches of 38,47,500 OCPS and 43,87,500 OCPS in two financial years 2012-13 & 2013-14. Hence, on 7.3.2013 i.e. during the Financial Year 2012-13 and on 13.5.2013, i.e. during the Financial Year 2013-14, the Board had allotted 8,55,000 Equity Shares and 9,75,000 Equity Shares aggregating to 18,30,000 Equity Shares of Rs.10/- each at a premium of ₹ 35/- per share total aggregate amounting to ₹ 8,23,50,000/- by way of issue of new Equity Shares.

Thus, the Issued, Subscribed & Paid up Equity Share Capital of the Company stands increased from 67,90,162 Equity Shares of Rs.10/- each aggregating to ₹ 6,79,01,620/- to 86,20,162 Equity shares of ₹ 10/- each aggregating to ₹ 8,62,01,620/-. The total shareholding of the Promoters & Persons acting in concert with the Promoters [Promoter Group] stands increased from the existing 55.455% to 64.928%.

The Company has obtained the necessary Listing & Trading approvals from BSE & NSE for the same.

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REDEMPTION OF PREFERENCE SHARES

In 2004, the Company had allotted 20,00,000 — 1% Cumulative Redeemable Preference Shares (CRPS) of ₹ 10/- each fully paid-up aggregating to ₹ 2,00,00,000 to Industrial Development Bank of India (IDBI), as per the Consent Terms dated 17.10.2003 signed under the Negotiated Settlement. The said CRPS were to be redeemed in 3 annual installments respectively on 10.8.2011, 10.8.2012 and 10.8.2013. Accordingly, the Company has paid all the 3 installments as on date. The Cumulative Dividend for the years 2011-12 & 2012-13 will be paid on the respective balance amounts as and when the Company declares Dividend on its Equity Shares.

DIRECTORS

Shri P Nayak (Nominee of General Insurance Corporation [GIC]) and Shri Ajeet Prasad, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The brief profile, pursuant to Clause 49 of the Listing Agreement of the Directors retiring by rotation at the ensuing Annual General Meeting and being eligible, for reappointment, forms part of the Corporate Governance Report.

Shri P Nayak, General Manager, The New India Assurance Co. Ltd., Mumbai was appointed as Nominee Director of the Company in place of Shri S Sethuraman as requested by The General Insurers' (Public Sector) Association of India (GIPSA) with effect from 29.8.2013. The Board placed on record its appreciation for the valuable services rendered by Shri S Sethuraman during his tenure.

Pursuant to the provisions of Section 198, 269, 309, Schedule XIII read with Section III thereto and other applicable provisions, if any, of the Companies Act, 1956, and as approved by the Remuneration Committee and the Board of Directors on 25.7.2013, Shri H R Kilachand was reappointed as the Chairman and Managing Director of the Company for a further period of 3 years with effect from 14.8.2013 at a remuneration, subject to your approval as mentioned in the Special Resolution as placed before the Shareholders for approval.

Your Company was informed by Kesar Terminals and Infrastructure Limited (KTIL) that on 11.7.2013 the Shareholders of KTIL had reappointed Shri H R Kilachand as Whole-time Director designated as Executive Chairman for a further period of 3 years with effect from 14.9.2013. However, the total remuneration drawn and retained by Shri H R Kilachand from both the Companies shall not exceed the higher maximum limit admissible from any one of the Companies i.e. the Company or KTIL as per the provisions of the Companies Act.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) that in preparation of the annual accounts for the financial year ended on 30th June, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss for that year;
- iii) that 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) that the Directors have prepared the Annual Accounts for the financial year ended on 30th June, 2013 on a going concern basis.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 217(1)(e) of the Companies Act, 1956 are given in the Appendix 'A' forming part of this 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.

INSURANCE

The Company has taken adequate insurance for all its properties.

FIXED DEPOSITS

Fixed Deposits of ₹ 3,01,000/- due for repayment on or before 30th June, 2013 were not claimed by 3 depositors as on that date.

AUDITORS' REPORT

With respect to para (x) of the annexure to Auditors' Report, the Shareholders may note that under the provisions of Section 23 of SICA, the Accumulated Losses of the Company for the financial year ended 30th June, 2013 have resulted in erosion of more than 50% of its peak Net Worth during the immediately preceding four financial years. The Report of the Board of Directors as to such erosion and the causes for such erosion are given in the Annexure to the Notice of this Annual General Meeting.

With respect to para (xvii) of the annexure to Auditors' Report, the Directors would like to clarify that necessary steps will be taken to raise long term funds for which an enabling resolution is proposed in the Notice of this Annual General Meeting.

AUDITORS

M/s. Haribhakti & Co., Chartered Accountants, the Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for appointment.

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 the directives of the Central Government under Section 233B of the Companies Act, 1956, the Board had appointed Mr. Rishi Mohan Bansal, Cost Accountant as Cost Auditor of the Company to conduct Cost Audit for the products 'Sugar & Alcohol' and 'Electricity' for the year ended 30.6.2013. The Cost Audit Report for the same will be submitted to the Central Government before the due date.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has continued to play its role as a responsible corporate citizen, adding value to society and addressing the contemporary societal needs and challenges. The Corporate Social Responsibility philosophy ensures that while business objectives are met and shareholder value is enhanced, the Company equally focuses on engaging with the wider community and sustainably addressing environmental concerns in its sphere of operations.

MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

As per Clause 49 of the Listing Agreement, the Management Discussion & Analysis Report and the Corporate Governance Report, along with a Certificate from the Auditors confirming the compliance, are annexed, which forms part of this Report.

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CMD / CFO CERTIFICATION

As required under Clause 49 of the Listing Agreement, the CMD (CEO) / CFO Certificate forms part of this Report and is annexed hereto.

EMPLOYEES

Relation with the employees remained cordial throughout the year. Your Directors place on record their deep sense of appreciation for the devoted services of the employees of the Company. In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are prepared by the Company. However, as per the provisions of Section 219(l)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is sent to all the shareholders of the Company and others entitled thereto. Any shareholder 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.

By Order of the Board of Directors

H R KILACHAND

Chairman & Managing Director

29th August, 2013

Appendix 'A' pursuant to Section 217(1)(e) of the Companies Act, 1956 Forming part of the Directors' Report

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

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.
- After reviewing the benefits of Mono Magnetic System installed in the previous year, we have added few more such systems in our process.

A. POWER AND FUEL CONSUMPTION

		2012-13	2011-12
1. ELECTRICITY			
a Purchased			
Unit	Kwh	603380	1462098
Total Amount	₹	74,86,906	93,95,480
Rate/Unit	₹	12.41	6.43
b Own Generation			
i) THROUGH DIESEL GENERATOR			
Unit	Kwh	293118	161874
Units Per Ltr. of Diesel Oil	Kwh	3.32	3.10
Rate / Unit ii	₹	15.54	14.12
ii) THROUGH STEAM TURBINE			
Unit	Kwh	189621503	23069561
Units Per M. T. of Steam	Kwh	199.88	52.90
Rate / Unit*	₹	—	—
2. COAL			
Quantity	MT	32	4422.15
Cost	₹	178678	27133893
Average Rate	₹	5511.86	6135.91
3. BAGASSE (OWN)			
Quantity	M.T.	360949.59	205440
Cost #	₹	—	—
Average Rate #	₹	—	—
4. OTHER FUEL BAGASSE (Outside)			
Quantity	MT	26921	—
Cost #	₹	8053466	—
Average Rate #	₹	299	—
5. Rice Husk			
Quantity	M.T.	2333.87	5720.50
Cost	₹	9118784	21633915
Average Rate	₹	3907.16	3781.82
6. Cane Trash			
Quantity	MT	1690	730
Cost	₹	1348255	848501
Average Rate	₹	798	1162
7. H. S. DIESEL			
Quantity	Ltr.	88390	52219
Cost	₹	4554666	2285664
Average Rate	₹	51.53	43.77

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

Not applicable as this is a by-product.

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		2012-13	2011-12
B. Consumption per unit of production			
Product (Sugar)			
Electricity	Kwh/M.T.	337.54	215.67
Bagasse/ Risk Husk / Cane Trash	M.T/M.T.	—	2.34
Diesel Oil	Ltr./M.T.	0.02	0.35
Product (Industrial Alcohol)			
Electricity	Kwh/000'Ltrs	94.27	95.79
Coal	Qtls./000'Ltrs	0.01	1.38
Bagasse (Pith)	M.T./000'Ltrs	—	—
Rice Husk	M.T./000'Ltrs	0.10	0.18
Diesel Oil	Ltr./000'Ltrs	0.03	0.66

FORM B

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

A. RESEARCH AND DEVELOPMENT

1. Rapid multiplication of new promising varieties of Sugarcane, Rejuvenation of existing prominent varieties & Production of disease free Sugar Cane Plant.
2. Production of Hybrid Seeds under plant breeding studies.
3. Production of N2 fixation & Phosphorus solubilising bacteria & Trichoderma as Bio fertilizer on trial basis.
4. Production of Tricho-cards to control Sugar Cane borers.
5. Cogen & Distillery waste water concentration by using Reverse Osmosis (RO) Technology.
6. Cane trash which is having higher calorific value (3200 k. cal/kg. approx), which is going waste was purchased and other bio-fuels in the boiler thereby resulting in maximization of cogen operating days.
7. Hot water re-circulation management system is being implemented.
8. Lotus roller installation at last mill gave the moisture and pol control in the outgoing bagasse.
9. Vegetable Seeds research and development is going on for hybridisation.

B. BENEFITS DERIVED

	2012-13 (₹ in lac)	2011-12 (₹ in lac)
Results of other R & D activities are awaited.		
Expenditure on R & D		
a) Capital	0.00	0.00
b) Recurring	18.61	20.99

The information on Foreign Exchange Earnings and Outgo is furnished in the Notes to the Account. (Please refer to Note No. 38 of Notes forming part of financial statements)

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. Uttar Pradesh alone contributes about 47% of the total acreage and has 38% share in the total domestic production. Sugar cane is the only source of sugar production in India unlike many other countries, which produce sugar from sugar beat.

Power

Bagasse based cogeneration in sugar factories in India has an established potential capacity of 7000 MW. The installed capacity is 2250 MW in 190 plants in India today. Most plants are set up with cogeneration plant power cycle at pressures of 45, 67 and 87 kg/cm². About 750 MW capacity is in various stages of construction at 50 plants in India. Therefore, from among 550 sugar factories, cogeneration has been set up in about 240 factories and the remaining operational factories are selling bagasse in the market as is the usual practice.

Spirits

The alcohol industry is segregated into five major segments i.e. beer, wine, IMFL, bottled in origin alcoholic products and country liquor. IMFL consists of whisky, rum, brandy, gin and vodka. The increase in per capita income of the middle class led by growing young population force, urbanization and change in lifestyles are factors which will keep the demand for IMFL & country liquor robust. Though the per capita consumption for alcohol beverages in India is comparatively lower as against developed countries, the sector has a promising growth.

Seed

Seed forms a critical input for sustainable agriculture. The response of all other inputs depends on quality of seeds to a large extent. Introduction of a new Seed Development Policy was yet another significant mile stone in the Indian Seed Industry, which transformed the very character of the seed industry. The policy gave access for Indian farmers to the best of quality of seed and planting material available anywhere in the world. The policy stimulated appreciable investments by private individuals, Indian Corporate and MNCs in the Indian seed sector with strong Research & Development base for product development with more emphasis on high value hybrids of cereals and vegetables and hi-tech products such as Bt. Cotton. As a result, the farmer has a wide product choice and the seed industry today is set to work with a 'farmer centric' approach.

COMPANY STRUCTURE & DEVELOPMENT

Sugar

The sugar factory is located at Baheri, Dist. Bareilly, Uttar Pradesh, one of the largest producers of sugarcane 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 its 44mw Bagasse based Cogeneration Power Plant at Baheri. It is the most efficient and largest capacity single plant in the sugar Cogeneration Sector in U.P. & perhaps the country, a world class plant having a state-of-the-art Process Control system with performance monitoring software. The Company exported majority of power produced to the grid and will benefit from the well established government policies related to renewable energy and also perhaps get benefit of carbon trading rights or renewable energy certificate.

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Spirits

The Company has set up a Distillation Plant in order to effectively harness molasses, a by-product generated by its sugar factory. Its capacity has been increased to 50,000 klp over a period of time. The Company is planning to further expand its production capacity to 62,500 klp. It has one of the most modern and sophisticated process of continuous fermentation of molasses, which gives higher yields and produces good quality spirit. The Company manufactures Rectified Spirit, Extra Neutral Alcohol, Country Liquor, IMFL like whisky, rum, gin, vodka etc.

The Company has an Effluent Treatment Plant to treat the distillery waste water, which is based on the state-of-the-art technology developed by Bacardi Corporation, USA. In the process, it generates methane rich Bio-gas, which is burnt in the boilers generating steam and the effluent from the Bio-reactor is further treated in a reverse osmosis plant and is further used to manufacture bio-compost. This bio-compost is then mixed with other nutrients to produce bio fertilizers which is then sold.

Seed

The Company produces & markets Hybrid Seeds of paddy, maize, sorghum sudan grass & pearl millet. It also produces Open Pollinated varieties of agricultural products such as wheat, paddy, mustard, vegetables and sunflower. All that is produced under the brand name 'Kesar Seeds'. The Company has obtained Seed Licenses in the States of Chattisgarh, Rajasthan, Uttar Pradesh, Uttarakhand, Bihar, Madhya Pradesh, Punjab and Haryana. The Research and Development (R&D) facility for hybrid crop seeds like paddy, maize, bajra is situated near Hyderabad.

OPPORTUNITIES & THREATS

Sugar

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

Power

The Company has set up a state of the art cogeneration plant operating at very high pressure of 115 kg/cm². Therefore, it is very efficient when compared to majority of the cogeneration plants having power cycle at pressures of 45, 67 and 87 kg/cm². This will therefore translate into producing more power from same bagasse. Besides, as our boiling house is also very efficient, there will be more savings of bagasse per ton of sugar produced and this saved bagasse will also enable us to produce more power.

Spirits

The demand for spirits is likely to be promising in the years to come. The Company's products have a strong hold in the North and has been able to sustain competition. The alcohol beverage industry being under the domain of the respective State government policies, rapid and unexpected changes may prove a threat to the Company. As also, the slow process to penetrate our brands in new markets, competition from existing peers, levy of various duties have an impact on the division of the Company.

Seed

The Company has always been at the forefront in tapping opportunities relating to the research and development of new variety of seeds, adding new products to its portfolio.

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.

Power

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

Spirits

The consumption of liquor has been at a steady rise.

Seed

The Company has a tissue culture laboratory for rapid multiplication of different varieties of sugarcane.

RISKS AND CONCERNS

Sugar, Agrotech and Seed Divisions being agro based are 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. Increase in duties on liquor products has an impact on the margins 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 an Internal Audit Cell and has also 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.

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CORPORATE GOVERNANCE REPORT

1. Company's philosophy on Code of Governance:

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

2. Board of Directors:

The Board of Directors has the optimum combination of Executive and Non-Executive Independent Directors and not less than fifty percent of the Board of Directors comprises of Non-Executive Directors. The Chairman of the Board is an Executive Director. The Board of Directors consists of the following Directors.

Name of Director		Category
Shri H R Kilachand	:	Chairman & Managing Director
Shri A S Ruia	:	Non-Executive Independent Director
Shri K Kannan	:	Non-Executive Independent Director
Shri K D Sheth	:	Non-Executive Independent Director
Smt. M H Kilachand	:	Non-Executive Director
Shri Ajeet Prasad	:	Non-Executive Independent Director
Shri P N Dubey	:	Non-Executive Independent Director
Shri S Sethuraman	:	Nominee Director – GIC (upto 29.8.2013)
Shri P Nayak	:	Nominee Director – GIC (w.e.f. 29.8.2013)

Attendance of each Director at Board Meetings and Committee Meetings held during 1.7.2012 to 30.6.2013 & also at the last Annual General Meeting held on 21.12.2012 and the number of other Directorship and Chairmanship / Membership of Committees of each Director in various Companies are as follows:

Name of the Director	Attendance Particulars							Sitting Fees paid (₹)	No. of other Directorships and Committee Member / Chairmanship in other Companies		
	Out of 7 Board Meetings	Out of 4 Audit Committee Meetings	Out of 1 Remuneration Committee Meeting	Out of 2 Right Issue Committee Meetings	Out of 1 Allotment Committee Meeting	Out of 4 Share Transfer Committee Meetings	Last AGM		Director-ships*	Committee Member #	Chairman-ships
Shri H R Kilachand	7	(\$ 4	NA	2	NA	4	Yes	—	2	3	—
Shri A S Ruia	7	4	1	2	1	4	Yes	318000	3	3	2
Shri K Kannan	7	4	1	1	1	NA	Yes	234000	6	9	5
Shri K D Sheth	6	3	1	NA	NA	3	Yes	210000	—	—	—
Smt. M H Kilachand	6	NA	NA	NA	NA	NA	Yes	102000	2	—	—
Shri S Sethuraman	4	NA	NA	NA	NA	NA	No	66000	—	—	—
Shri Ajeet Prasad	7	4	NA	2	1	NA	Yes	240000	—	—	—
Shri P N Dubey	6	NA	NA	NA	1	NA	Yes	126000	—	—	—

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

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

(\$) Attended by invitation.

The Non-Executive Directors were paid Sitting Fees of ₹ 12,96,000/-, for attending the Board Meetings and the Committee Meetings held during 1.7.2012 to 30.6.2013, as stated above.

Shareholding of Non-Executive Directors pursuant to Clause 49(IV)(E)(iv) of the Listing Agreement is as under:

Name of Non-Executive Director	Shares held in the Company
Shri A S Ruia	1,000
Shri K Kannan	250
Shri K D Sheth	1,350
Smt. M H Kilachand	2,08,372
Shri Ajeet Prasad	250
Shri P N Dubey	250

Information on re-appointment of Directors:

1. Shri P Nayak has been nominated by General Insurers' (Public Sector) Association of India (GIPSA) as Director on the Board of the Company in place of Shri S Sethuraman. Shri P Nayak will be retiring by rotation at the ensuing Annual General Meeting and is eligible for reappointment. He is 57 years of age. He is a B.SC graduate. He is having 33 years of experience in General Insurance Industry with National Insurance Company Ltd., United India Insurance Company Ltd. and New India Assurance Company Ltd. Presently, he is working as General Manager in New India Assurance Co. Ltd., Mumbai.
2. Shri Ajeet Prasad will be retiring by rotation at the ensuing Annual General Meeting and is eligible for reappointment. He is 58 years of age. He is a BSc. graduate. He is having 33 years of experience in banking operations, implementations of financial services and designing strategies. He is former Executive Director of UTI and took superannuation in July 2009. He holds 250 equity shares of the Company. He holds Directorships in (1) India Nivesh Investment Advisors Pvt. Ltd.; & (2) SREI Asset Management Pvt. Ltd.

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

In all 7 Board Meetings were held during the year, as against the minimum requirement of 4 meetings. The Board Meetings were held on 13.8.2012, 9.11.2012, 14.12.2012, 21.12.2012, 6.2.2013, 7.3.2013 and 6.5.2013.

3. Audit Committee:

In terms of Clause 49(II)(A) of the Listing Agreement, the Company constituted an Audit Committee comprising only of Non-Executive Independent Directors. The Chairman of Audit Committee is an Independent Director. The Audit Committee meets at regular intervals, of not exceeding 4 months gap between any two meetings, with a minimum of 4 meetings in a year.

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

- a. Overseeing the Companies financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending appointment / removal of external Auditor, fixation of Audit Fee and payment for any other services.
- c. Reviewing with the Management the annual and quarterly financial statements before submission to the Board for approval with particular reference to the matters specified in the Listing Agreement.
- d. Reviewing with the Management, external & internal Auditors the adequacy of internal control systems.
- e. Reviewing the adequacy of the internal Audit function, including structure of internal audit department, staffing and seniority of official heading the Department, reporting structure, coverage and frequency of internal audit.

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- f. Discussing with internal Auditors any significant findings and follow up thereon.
- g. Reviewing findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h. Discussing with external auditors before the audit commences the nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- i. Reviewing the Company's financial and risk management policies.
- j. Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders and creditors.
- k. Other matters as set out in the Listing Agreement as and when required.

The Audit Committee consists of 4 Non-Executive Independent Directors viz. Shri K D Sheth, Chairman of the Audit Committee, Shri A S Ruia, Shri K Kannan and Shri Ajeet Prasad, Members. The said Directors are financially literate and have accounting or related financial management expertise. Shri D J Shah, Sr. Vice President (Legal) & Company Secretary is the Secretary to the Audit Committee.

During the year under review, the Audit Committee met 4 times on 13.8.2012, 9.11.2012, 6.2.2013 and 6.5.2013. CMD, CFO, Internal Auditor and representatives of Statutory Auditors were present as Invitee in all such Meetings.

The Company has a full-fledged Internal Audit Department headed by a General Manager, 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.

4. Remuneration Committee:

The Remuneration Committee consists of 3 Non-Executive Independent Directors viz. Shri A S Ruia, Chairman of the Committee, Shri K Kannan and Shri K D Sheth, Members. During the year one meeting of Remuneration Committee was held on 13.8.2012.

5. Share Transfer Committee:

The Share Transfer Committee consists of Shri H R Kilachand, Chairman of the Committee, Shri K D Sheth and Shri A S Ruia, Members to review and approve the transfer of shares, issue of duplicate share certificates and requests regarding transmission of shares. The Committee meets regularly from time to time for the above purpose, to ensure a prompt return of securities to the shareholders. Neither any share transfers nor any requests for demat was pending as on 30th June 2013.

6. Asset Management Committee:

The Asset Management Committee consists of Shri A S Ruia — Chairman of the Committee, Shri K Kannan and Shri K D Sheth, Members. During the year no meeting was held.

7. Shareholders / Investors Grievance Committee:

As required under Clause 49 of the Listing Agreement the Board has constituted Shareholders / Investors Grievance Committee specifically to look into the redressal of shareholders and investors complaints like transfer of shares, non-receipt of annual report / dividend warrants etc.

The Shareholders / Investors Grievance Committee consist of Shri K D Sheth, Chairman of the Committee, Shri H R Kilachand and Shri A S Ruia, Members. During the Financial Year ended 30.6.2013 and till the date of this report, the Company had not received any complaint from the Shareholder. No sitting fee is paid to the Directors for attending Shareholders / Investors Grievance Committee.

8. Right Issue Committee:

The Board had constituted Right Issue Committee of 4 Directors viz. Shri H R Kilachand, as Chairman and Shri A. S Ruia, Shri K Kannan & Shri Ajeet Prasad, as Members of the Committee. During the year two meetings of Right Issue Committee were held on 23.8.2012 and 14.12.2012.

9. Allotment Committee:

The Board had constituted an Allotment Committee of 4 Independent Directors viz. Shri K Kannan as Chairman of the Committee, Shri A S Ruia, Shri Ajeet Prasad and Shri P N Dubey, as Members for the purpose of considering Allotment of Equity Shares on conversion of Optionally Convertible Preference Shares (OCPS). During the year one meeting was held on 13.5.2013 to allot 9,75,000 new Equity Shares of ₹ 10/- each, at a price of ₹ 45/- per Equity Share (including premium of ₹ 35/-) aggregating to ₹ 4,38,75,000/- by converting 43,87,500 OCPS.

10. Compliance Officer:

The Board has designated Shri D J Shah, Sr. Vice President (Legal) & Company Secretary, as the Compliance Officer of the Company. His e-mail ID is djs@kesarindia.com.

11. General Body Meetings:

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

AGM / EGM	Financial Year ended	Date	Location	Time
AGM	30.6.2012	21.12.2012	Walchand Hirachand Hall	3:30 pm
AGM	30.6.2011	17.11.2011	M C Ghia Hall	3:30 pm
AGM	30.6.2010	23.12.2010	M C Ghia Hall	3:30 pm

ii) The following Special Resolutions were passed in the last 3 AGM:

Date of AGM	Particulars of Special Resolution
21.12.2012	Pursuant to Section 314 of the Companies Act, 1956 for increasing remuneration of Shri Rohan Kilachand, Vice President.
17.11.2011	Pursuant to Section 81(1A) of the Companies Act, 1956 for further Issue of securities.
23.12.2010	i) Pursuant to Section 314 for holding of an office or place of profit in the Company by Shri Rohan H Kilachand ii) Pursuant to Sections 198, 309, 316, Schedule XIII for reappointment of Shri H R Kilachand as Chairman & Managing Director of the Company.

iii) Details of Resolutions passed through Postal Ballot pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011:

The declared results of the Postal Ballot were announced through stock exchanges, newspaper and were also displayed on the website of the Company, www.kesarindia.com. Details of the same are given below:

1. a) Resolutions passed on 3rd October, 2012

Sr. No.	Particulars	Details / Dates
1.	Date of Board Meeting	13.8.2012
2.	Name of the Scrutinizer appointed	M/s Ragini Chokshi & Co. Practicing Company Secretary
3.	Date of Notice seeking Shareholders approval	13.8.2012
4.	Date of completion of dispatch of Notice	28.8.2012
5.	Last date of receipt of duly filled Postal Ballot Form	27.9.2012
6.	Scrutinizer's Report submitted to the Chairman	28.9.2012
7.	Date of Declaration of Result	3.10.2012

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b) Particulars of Resolutions passed through Postal Ballot process:

Resolution No. 1: Ordinary Resolution	Under Section 293(1)(d) to increase Borrowing Powers.
Resolution No. 2: Ordinary Resolution	Under Section 293(1)(a) for Creation of Charge.
Resolution No. 3: Special Resolution	Under Section 372A to make Investments, give loan/ guarantee or provide security against a loan.
Resolution No. 4: Special Resolution	Under Section 31 to alter Articles of Association of the Company.
Resolution No. 5: Special Resolution	Under Section 81(1A) for further issue of securities.

c) Voting Pattern

Particulars	Total valid votes	Total valid votes cast in favour of the Resolution	Total valid votes cast against the Resolution
Resolution 1	37,64,046	37,61,901 (99.93%)	2,145 (0.06%)
Resolution 2	37,64,046	37,61,776 (99.93%)	2,270 (0.06%)
Resolution 3	37,64,046	37,59,202 (99.86%)	4,844 (0.13%)
Resolution 4	37,64,046	37,63,181 (99.97%)	865 (0.02%)
Resolution 5	37,64,046	37,61,152 (99.90%)	2,894 (0.08%)

2) a) Resolutions passed on 22nd January, 2013

Sr. No.	Particulars	Details / Dates
1.	Date of Board Meeting	14.12.2012
2.	Name of the Scrutinizer appointed	Mr. Dharmesh Zaveri Practicing Company Secretary
3.	Date of Notice seeking Shareholders approval	14.12.2012
4.	Date of completion of dispatch of Notice	18.12.2012
5.	Last date of receipt of duly filled Postal Ballot Form	21.1.2013
6.	Scrutinizer's Report submitted to the Chairman	22.1.2013
7.	Date of Declaration of Result	22.1.2013

b) Particulars of Resolutions passed

Resolution No. 1: Ordinary Resolution	Under Section 16 & 94 to increase the Authorised Share Capital from ₹ 18 crore to ₹ 22 crore and to amend Clause V of the Memorandum of Association.
Resolution No. 2: Special Resolution	Under Section 31 to alter Article 3 of the Articles of Association to increase the Authorised Share Capital from ₹ 18 crore to ₹ 22 crore.
Resolution No. 3: Special Resolution	Under Section 81(1A) for further issue of securities.
Resolution No. 4: Special Resolution	Under Section 372A of the Companies Act, 1956 to make Investments, give loan / guarantee or provide security against a loan.

c) Voting Pattern

Particulars	Total valid votes	Total valid votes cast in favour of the Resolution	Total valid votes cast against the Resolution
Resolution 1	39,77,645	39,76,407 (99.97%)	1,238 (0.03%)
Resolution 2	39,76,585	39,75,347 (99.97%)	1,238 (0.03%)
Resolution 3	39,76,585	39,73,247 (99.92%)	3,338 (0.08%)
Resolution 4	39,76,585	39,72,168 (99.88%)	4,417 (0.11%)

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

12. Disclosures:

- i. No transaction of material nature has been entered into by the Company with its Promoters, Directors, Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company. However, the Company has given in the notes to accounts, a list of Related Parties as per Accounting Standard 18 and the transactions entered into with them.
- ii. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges or any Statutory Authority does not arise.
- iii. The Company has laid down procedures to inform Board members about risk assessment and minimization. These procedures are periodically reviewed to ensure control of risk through a properly defined framework.

13. 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 exchanges and forthwith fax and send copies of the results to Bombay Stock Exchange and National Stock Exchange of India Ltd., where the shares of the Company are listed.

The financial results of the Company are published in the 'Free Press Journal' in English and 'Navshakti' 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 and www.nseindia.com and also on the website of the Company, viz. www.kesarindia.com

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

14. General Shareholders information:

- | | |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Registered Office | : Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai-400 020. |
| b. Plant Locations | : Sugar Factory, Power Plant, Spirits, Seeds & Bottling at Baheri, Dist. Bareilly, U. P. |
| c. Annual General Meeting | |
| Date | : Tuesday, 8th October, 2013 |
| Time | : 3:30 p.m. |
| Venue | : M C Ghia Hall, Bhogilal Hargovindas Building, 4 th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 |
| d. Next Financial Year ending | : 30th June, 2014 |
| e. Next Annual General Meeting | : By 31st December, 2014 |
| f. <u>Financial Reporting for the year 2013-14</u> | : |
| For the 1 st quarter ending 30th September, 2013 | : By 14 th November, 2013 |
| For the 2 nd quarter ending 31st December, 2013 | : By 14 th February, 2014 |
| For the 3 rd quarter ending 31st March, 2014 | : By 15 th May, 2014 |
| For the year ending 30th June, 2014 | : By 29 th August, 2014 |
| g. Date of Book Closure | : From Tuesday, 1.10.2013 to Tuesday, 8.10.2013 |
| h. Listing on Stock Exchange | : Bombay Stock Exchange Ltd., (BSE) & National Stock Exchange of India Ltd.(NSE)
The Company has paid Annual Listing fees to BSE & NSE for the year 2013-14. |
| i. Stock Exchange Code Number | : BSE Scrip Code : 507180
NSE Symbol : KESARENT |
| j. Demat ISIN numbers in NSDL & CDSL | : INE133B01019 |

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Address for correspondence by the Shareholders of the Company:

Registrar & Share Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd. Unit No.1, Luthra Indl. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072	Kesar Enterprises Ltd. Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai – 400 020
Tel.: 2851 5606/ 2851 5644 Fax: 2851 2885 Email: sharexindia@vsnl.com	Tel: 2204 2396 / 2285 1737 Fax: 2287 6162 Email: djs@kesarindia.com

Code of Conduct

The Company has a Code of Conduct for its Board of Directors and Senior Management Personnel and the same is posted on the Company's website www.kesarindia.com. All the Directors and Senior Management Personnel have affirmed compliance of the Code of Conduct. The declaration is signed by the Chairman & Managing Director to that effect and is attached at the end of this report.

Share Transfer System:

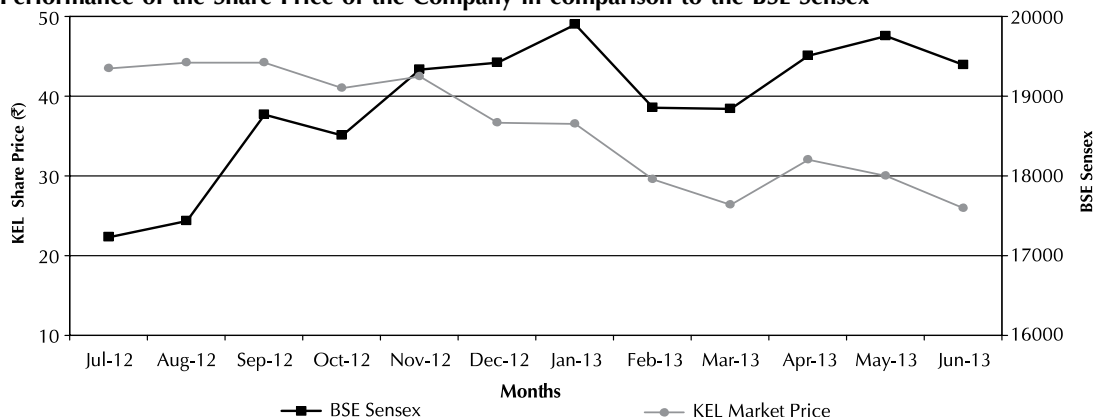
The shares sent for transfer are generally registered & returned within the time limits. Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half yearly basis, have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulation, 1996, certificates have also been received from Company Secretary in Practice for timely dematerialization of the shares of the Company and for conducting of Reconciliation of Share Capital Audit of the Company.

Stock Market Data:

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

Month	BSE		NSE	
	High	Low	High	Low
July 2012	51.50	37.50	52.00	38.05
August 2012	55.70	42.45	54.90	43.00
September 2012	49.75	41.00	49.00	41.15
October 2012	46.95	40.45	47.95	40.15
November 2012	44.65	38.35	52.35	38.60
December 2012	42.95	36.70	43.90	37.05
January 2013	41.00	35.10	40.95	34.35
February 2013	40.15	29.50	40.65	29.00
March 2013	34.75	25.65	35.00	25.80
April 2013	39.60	27.20	38.95	27.15
May 2013	34.00	29.45	33.60	31.95
June 2013	30.50	23.55	No transaction	No transaction

Performance of the Share Price of the Company in comparison to the BSE Sensex



Distribution of shareholding as on 30th June, 2013:

Shareholding in Nominal Value of			Shareholders		Share Amount	
₹	₹		Holders	% of Holders	In ₹	% to Total
Upto	-	5,000	4515	88.49	5779560	6.70
5,001	-	10,000	301	5.90	2370250	2.75
10,001	-	20,000	143	2.80	2102750	2.44
20,001	-	30,000	41	0.80	1013850	1.18
30,001	-	40,000	24	0.47	815630	0.95
40,001	-	50,000	15	0.29	705470	0.82
50,001	-	1,00,000	31	0.61	2341050	2.72
1,00,001	-	and above	32	0.63	71073060	82.45
Total			5102	100.00	86201620	100.00

Categories of Shareholders as on 30th June, 2013:

As on 30.06.2013 about 95.26% of the total shareholding in the Company representing 82,11,719 shares have been converted into demat.

Sr. No.	Category		No. of Shares Held	No. of Shares in Demat Form	% of Shareholding
A.	PROMOTERS HOLDING				
	1.	Promoters: – Indian Promoters	4346517	4346517	50.423
		– Foreign Promoters	—	—	—
	2.	Persons acting in concert	1250384	1165823	14.505
		Sub Total:	5596901	5512340	64.928
B.	NON-PROMOTERS HOLDING				
	1.	INSTITUTIONAL			
	a.	Mutual Funds & UTI	1200	—	0.014
	b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions / Non Govt. Institutions)	693862	693167	8.049
	c.	FIs	—	—	—
		Sub Total:	695062	693167	8.063
C.	OTHERS:				
	a.	Private Corporate Bodies	380448	378758	4.413
	b.	Indian Public	1847044	1526947	21.427
	c.	NRI's/ OCB's	100257	100057	1.163
	d.	Clearing Members	450	450	0.005
		Sub Total:	2328199	2006212	27.009
		GRAND TOTAL:	8620162	8211719	100.00

Guidance to Shareholders:

- The shareholders are requested to communicate bank details, the change of address, if any, directly to M/s Sharex Dynamic (India) Pvt. Ltd., the Registrar & Share Transfer Agent of the Company located at the addresses mentioned in para 13 above.

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2. In case of lost / misplacement of share certificates, shareholders should immediately lodge a FIR / Complaint with the police and submit with the Company original / certified copy of FIR / acknowledged copy of the complaint and inform the Company to stop transfer of the said shares.
3. For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of power of attorney should also be quoted in the transfer deed at the appropriate place.

SEBI vide its circular dated 27.4.2007 has made it mandatory for transactions involving transfer of shares in physical form the transferee(s) is required to furnish a copy of PAN card to the Company / RTAs for registration of such transfer of shares.

SEBI vide its circular dated 7.1.2010 has made it mandatory to furnish a copy of PAN in the following cases:

1. Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
2. Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
3. 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.
4. A Shareholder, whose signature has undergone any change over a period of time, is requested to lodge their new specimen signature duly attested by a bank manager.
5. Any Shareholder of the Company who has multiple folios in identical names are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.
6. **Nomination:** Section 109A of the Companies Act, 1956 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the will etc. it would therefore be in the best interests of shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed of the nomination facility, are requested to avail the same by submitting the nomination form. This form will be made available on request. Shareholders holding shares in demat form are advised to contact their DP's for making nominations.
7. As required by SEBI, shareholders may furnish details of their bank account number and name and address of the bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.
8. Shareholders, holding shares in electronic format are requested to deal only with their depository participants in respect of any change of address, nomination facility and furnishing bank account number etc.
9. Shareholders may please note that the Company had not declared any dividend for the financial year 2006-07. Shareholders, who have not encashed their dividend warrants in respect of the dividend declared for the financial years 2005-06 onwards, are requested to contact the Company and surrender their warrants for revalidation for payment. Shareholders are therefore requested to verify their records and send claims, if any, for the relevant years. The details of declared dividends are as under:

Date of declaration	For the Year	Rate of Dividend	Due date of transfer to IEPF
27.10.2006	2005-2006	@ 10%	24.12.2013
31.10.2008	2007-2008	@ 5%	29.12.2015
22.12.2009	2008-2009	@ 30%	20.02.2017
23.12.2010	2009-2010	@ 10%	21.02.2018
17.11.2011	2010-2011	@ 10%	14.01.2019

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Kesar Enterprises Ltd.

We have examined the compliance of conditions of Corporate Governance by Kesar Enterprises Limited for the year ended June 30, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations 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 complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance 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 and on behalf of Haribhakti & Co.
Chartered Accountants
FRN No.103523W

Sumant Sakhardande
Partner
Membership No. 34828

Place : Mumbai
Date : 29th August, 2013

DECLARATION

To the Members of
Kesar Enterprises Ltd.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has laid down a Code of Conduct for its Board of Directors and Senior Management.

I hereby declare that all the Directors and Senior Management have confirmed compliance with the Code of Conduct as adopted by the Company.

For Kesar Enterprises Ltd.

H. R. KILACHAND
Chairman & Managing Director

Mumbai
29th August, 2013

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CERTIFICATION

The Board of Directors
Kesar Enterprises Ltd.

We, have reviewed financial statements and the cash flow statement of Kesar Enterprises Ltd. for the year ended 30th June, 2013 and that to the best of our knowledge and belief, we state that:

- (a) (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.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) 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 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 taken or proposed to taken to rectify these deficiencies.
- (d) 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 we 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.

V J Doshi
Chief Financial Officer

H R Kilachand
Chairman & Managing Director

Mumbai,
29th August, 2013

INDEPENDENT AUDITORS' REPORT

To

The Members of Kesar Enterprises Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Kesar Enterprises Limited ("the Company"), which comprise the Balance Sheet as at 30th June, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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Emphasis of Matter

We draw attention to Note No. 40 with regard to recognition of Deferred Tax Assets (net) arising on account of unabsorbed depreciation and brought forward losses for the reasons stated therein by the management to be in accordance with AS-22 "Accounting for Taxes on Income". Our report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on 30th June, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 30th June, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No. 103523W

Sumant Sakhardande
Partner
Membership No. 34828

Date : 29th August, 2013
Place : Mumbai

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Kesar Enterprises Limited on the financial statements for the year ended 30th June, 2013.

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have not been physically verified by the management during the year but there is a 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) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii)
 - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii)
 - (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(b),(c) and (d) of the order are not applicable.
 - (b) The Company had taken interest free loans from two companies and an interest bearing deposit from a party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year was ₹ 1,209 lac and year-end balance of loans taken from such parties was ₹ 386 lac.
 - (c) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
 - (d) In respect of the aforesaid loans, the Company is regular in repaying the principal amount as stipulated and has been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weaknesses in internal control system of the Company.
- (v)
 - (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of five lac have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion, based on the test checks carried out by us and according to the information and explanations given to us, the Company has complied, in all material respects, the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

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- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of Sugar and Alcohol manufacturing activities at Baheri, where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth-tax, service tax, sales-tax and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lac)	Period to which the amount relates	Forum where dispute is pending
Central Sales tax Act, 1956	Central Sales tax-Distillery	100.75	1989-90, 2002-03 & 2003-04	High Court Allahabad
U.P. Tax on Entry of Goods in to Local Area Act, 2007	Entry Tax-Sugar	551.58	2000-01 to 2005-06	D.C. (A) – Bareilly
U.P. Tax on Entry of Goods in to Local Area Act, 2007	Entry Tax-Sugar	162.22	2008-09 to 2010-11	A.C. (A) – Bareilly
U.P. Trade Tax Act, 1948	U.P. Trade Tax	56.72	1989-90, 1993-94 to 1997-98 & 1999-00	High Court Allahabad
U.P. Trade Tax Act, 1948	U.P. VAT-Paddy Husk	69.09	2007-08 & 2008-09	A.C. (A) – Bareilly
Central Excise Act, 1944	Excise Duty – Sugar (Interest & Penalty)	312.72	2006-07 to 2009-10	CESTAT, New Delhi
Central Excise Act, 1944	Excise Duty & Reversal of CENVAT Credit	56.24	2006-07 to 2008-09 & 2010-11 to 2012-13	A.E.C. (U.P.)
Central Excise Act, 1944	Arrears of Overtime of Excise Personnel	15.72	2006-07 to 2008-09	High Court Allahabad
Central Excise Act, 1944	Excise Duty – Spirits	1.08	2005-06	Supreme Court
Central Excise Act, 1944	License Fee Payable	0.48	2007-08	A.E.C. (U.P.)
Specific Relief Act, 1963	Compensation for loss caused due to non-supply of Rectified Spirit	18.27	2009-10	Civil Court, Panipat
Central Excise Act, 1944	Reversal of CENVAT Credit	24.14	2003- 04	CESTAT, New Delhi

- (x) In our opinion, the accumulated losses of the Company are more than fifty percent of its net worth and it has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds amounting to ₹ 2,258.34 lac raised on short-term basis have been used for long-term investment. According to the information and explanations given to us, the Company is, however, able to generate sufficient funds from long term sources to meet working capital requirements.
- (xviii) According to the information and explanations given to us, the Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the prices at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company did not have any debentures outstanding during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No. 103523W

Sumant Sakhardande
Partner
Membership No. 34828

Date : 29th August, 2013
Place : Mumbai

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BALANCE SHEET AS AT 30TH JUNE, 2013

	Note No.	As at 30th June, 2013	(₹ In Lac) As at 30th June, 2012
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	928.02	812.02
(b) Reserves and Surplus	3	22,176.28	23,733.70
2 Non Current Liabilities			
(a) Long Term Borrowings	4	13,071.43	13,647.80
(b) Other Long Term Liabilities	5	93.41	101.94
(c) Long Term Provisions	6	59.63	66.66
3 Current Liabilities			
(a) Short Term Borrowings	7	27,608.47	20,263.07
(b) Trade Payables	8	10,321.28	8,589.28
(c) Other Current Liabilities	9	5,490.03	5,060.15
(d) Short Term Provisions	10	458.26	265.00
Total		80,206.81	72,539.62
II ASSETS			
1 Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	48,520.83	28,824.09
(ii) Intangible Assets		30.44	32.94
(iii) Capital Work-in-Progress		77.35	18,934.83
(b) Non Current Investments	12	54.95	54.95
(c) Deferred Tax Assets (Net)	13	378.84	378.84
(d) Long Term Loans and Advances	14	666.05	1,241.97
(e) Other Non Current Assets	15	78.62	114.48
2 Current Assets			
(a) Inventories	16	21,951.72	19,391.67
(b) Trade Receivables	17	6,229.78	1,512.43
(c) Cash and Bank Balances	18	942.60	240.94
(d) Short Term Loans and Advances	19	1,275.63	1,524.57
(e) Other Current Assets	20	0	287.91
Total		80,206.81	72,539.62

Significant Accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Haribhakti & Co.
Chartered Accountants
FRN : 103523W

H R KILACHAND
Chairman & Managing Director

Sumant Sakhardande
Partner
Membership No. 34828

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

K D SHETH
Director

Place: Mumbai
Date: 29th August, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30TH JUNE, 2013

	Note No.	As at 30th June, 2013	(₹ In Lac) As at 30th June, 2012
I REVENUE			
Revenue from Operations (Gross)	21	47,254.60	46,303.48
Less: Excise Duty		13,498.21	17,710.61
Revenue from Operations (Net)		33,756.39	28,592.87
II Other Income	22	229.88	110.31
III Total Revenue (I + II)		33,986.27	28,703.18
IV EXPENSES			
(a) Cost of Materials Consumed	23	27,756.01	26,776.06
(b) Purchases of Traded Goods	24	36.30	23.31
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(2,777.96)	(5,082.02)
(d) Employee Benefits Expense	26	2,504.55	2,077.44
(e) Finance Costs	27	3,637.54	1,876.34
(f) Depreciation and Amortization Expense (net of transfer from Revaluation Reserve ₹ 536.74 Lac (P.Y. ₹ 1.47 Lac)		1,461.63	558.29
(g) Other Expenses	28	3,036.40	3,411.73
Total Expenses		35,654.47	29,641.15
V Profit before Exceptional Items & Tax (III - IV)		(1,668.20)	(937.97)
VI Exceptional Items		0	1,281.54
VII Profit Before Tax (V - VI)		(1,668.20)	(2,219.51)
VIII Tax Expense:			
(a) Current Tax and MAT adjustment pertaining to previous years ₹ Nil (P.Y. ₹ 182.67 Lac)		0	182.67
(b) Deferred Tax		0	(403.68)
IX Profit / (Loss) for the Period (VII - VIII)		(1,668.20)	(1,998.50)
X Basic and Diluted Earnings Per Equity Share		(23.20)	(29.43)
[Nominal Value of Equity Share ₹ 10/- (P.Y. ₹ 10/-)] (Refer Note No. 39)			
Significant Accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Haribhakti & Co.
Chartered Accountants
FRN : 103523W

H R KILACHAND
Chairman & Managing Director

Sumant Sakhardande
Partner
Membership No. 34828

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

K D SHETH
Director

Place: Mumbai
Date: 29th August, 2013

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1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

(b) Use of Estimates

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

(c) Revenue Recognition

Income is generally recognised only when its collection or receipt is reasonably certain. Insurance Claims are recognised only when the claim is passed. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer. Sales include excise duty and exclude Value Added Tax.

(d) Fixed Assets

- (i) Fixed Assets are stated at cost of acquisition including revaluation amount, less accumulated depreciation and impairment loss, if any. Cost includes interest on borrowings, specific or otherwise, used for funding of fixed assets till the date of commissioning.
- (ii) Freehold Lands are stated at cost of acquisition including revaluation amount.
- (iii) On 30th June 2012, the Company has revalued tangible assets of the Sugar and Distillery Division. The assets are stated at fair market value less accumulated depreciation recognized after the date of the revaluation. Revaluation Reserve to the extent of amount in excess of Written Down Value, is shown as Revaluation Reserve under the head "Reserves & Surplus".

(e) Depreciation

- (i) Leasehold Land and Premium on Leasehold Land is amortised over the period of lease.
- (ii) Depreciation on the Bio-Gas Plant, Plant & Machinery installed for Expansion and Modernisation and Assets given on lease has been provided on a Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- (iii) Depreciation on Assets, whose actual cost does not exceed ₹ 0.05 Lac for each asset is provided at the rate of hundred percent.
- (iv) Depreciation on revalued portion is provided for the balance estimated useful life of the respective assets and equivalent amount is transferred from Revaluation Reserve to recoup such Depreciation.
- (v) For all other assets, depreciation is provided on a Written Down Value Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- (vi) For assets added / disposed off during the year, depreciation has been provided on a pro-rata basis with reference to the period, at the applicable rates.

(f) Capital Work-in-Progress

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

(g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(h) Leases

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

(i) Investments

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

(j) Inventories

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

(k) Foreign Currency Transactions

Transactions arising in foreign currency are recorded at the rates ruling on the transaction dates. Exchange differences arising on settlement of foreign currency transactions are recognised in the statement of profit and loss. Liabilities payable in foreign currency are reinstated using the exchange rate prevailing at the balance sheet date. Exchange differences relating to long term monetary items, arising during the year, in so far as those relate to the acquisition of a depreciable capital asset are added / deducted from the cost of the asset and depreciated over the balance life of the asset. All other exchange differences arising from conversion are charged off to the statement of Profit and Loss.

(l) Research & Development Expenditure

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

(m) Earnings per Share

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

(n) Provisions

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

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(o) Income-tax

Income tax expenses comprise of current tax and Deferred Tax charge or credit. Due to seasonal nature of the business, the Provision for Current Tax and Deferred Tax is made at the end of each financial year as per Income Tax Act, 1961 i.e. 31st March. The deferred tax charge or credit is recognized at the tax rates enacted at the end of each financial year i.e. 31st March. Where there is an unabsorbed depreciation or carry forward loss, Deferred Tax Assets are recognized only if there is virtual certainty of realization of such assets. Other Deferred Tax Assets are recognised only to the extent when there is reasonable certainty of realization in future. Deferred Tax Assets/Liabilities are reviewed at the end of each financial year i.e. 31st March, based on developments during the year. MAT credit available, if any, is deducted from the current Tax.

(p) Segment Reporting

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

(q) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment basis on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. Impairment losses recognised in earlier accounting periods are reversed, if there is any change in the estimate of the recoverable amount.

(r) Retirement and other employee Benefits

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

(s) Contingent Liabilities

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

(t) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

2. SHARE CAPITAL

PARTICULARS	As at 30th June, 2013		As at 30th June, 2012	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10/- each	12,000,000	1,200.00	12,000,000	1,200.00
Preference Shares of ₹ 10/- each	10,000,000	1,000.00	6,000,000	600.00
Issued, Subscribed & Paid up				
Equity Shares of ₹ 10/- each	8,620,162	862.02	6,790,162	679.02
1% Cumulative Redeemable Preference Shares of ₹ 10/- each	660,000	66.00	1,330,000	133.00
Total	9,280,162	928.02	8,120,162	812.02
(a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period				
(i) Equity Shares Outstanding				
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	6,790,162	679.02	6,790,162	679.02
Shares Issued during the year	1,830,000	183.00	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	8,620,162	862.02	6,790,162	679.02
(ii) Redeemable Preference Shares Outstanding				
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,330,000	133.00	2,000,000	200.00
Shares Issued during the year	0	0	0	0
Shares redeemed during the year	670,000	67.00	670,000	67.00
Shares outstanding at the end of the year	660,000	66.00	1,330,000	133.00
(iii) Zero Coupon Optionally Convertible Preference Shares Outstanding				
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	0	0	0	0
Shares Issued during the year*	8,235,000	823.50	0	0
Shares converted into Equity Shares during the year*	8,235,000	823.50	0	0
Shares outstanding at the end of the year	0	0	0	0
* During the year the Company made preferential issue of 82,35,000 Optionally Convertible Preference Shares of ₹ 10/- each with an option to convert into Equity shares of ₹ 10/- each at a premium of ₹ 35/- per share. All the holder of Preference shares have exercised their rights				
(b) Terms/rights attached to				
(i) Equity Shares				
The Company has only one class of Equity Shares having a par value of ₹ 10 per Share. Each Holder of Equity Shares is entitled to one vote per Share. The Company declares and pays Dividends in Indian Rupees. The Dividend, if proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.				
(ii) Cumulative Redeemable Preference Shares				
1% Cumulative Redeemable Preference Shares having a par value ₹ 10/- each fully paid up redeemable in 3 Annual Installments of ₹ 67 Lac, ₹ 67 Lac and ₹ 66 Lac on 10th August, 2011, 10th August, 2012 and 10th August, 2013 respectively.				
(c) Details of Shareholders holding more than 5% Shares in the Company				
(i) Equity Shareholder				
Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kesar Corporation Ltd.	2,220,922	25.76	2,054,422	30.26
Duracell Investments & Finance	979,950	11.37	143,200	2.11
Seel Investment Pvt. Ltd.	903,229	10.48	76,479	1.13
Harsh Rajnikant Kilachand	556,340	6.45	556,340	8.19
National Insurance Co. Ltd.	339,600	3.94	344,161	5.07
The Oriental Insurance Co. Ltd.	353,172	4.10	353,172	5.20
(ii) Cumulative Redeemable Preference Shareholders				
Industrial Development Bank of India	660,000	100.00	1,330,000	100.00

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3. RESERVES & SURPLUS

PARTICULARS	As at 30th June, 2013	(₹ In Lac) As at 30th June, 2012
(a) General Reserve		
Opening Balance	1,527.46	1,594.46
Add: Current Year Transfer from Storage and Effluent Disposal Reserves (Refer Note No. 32)	75.80	0
Less: Transfer to Capital Redemption reserve	67.00	67.00
Closing Balance	1,536.26	1,527.46
(b) Securities Premium Account		
Opening Balance		
Add: Securities premium credited on Share issue	640.50	0
Closing Balance	640.50	0
(c) Storage and Effluent Disposal Reserves: (Refer Note No. 31 & 32)		
(i) Storage Reserves for Alcohol:		
Opening Balance	13.58	13.24
Add: Current Year Transfer	0.26	0.34
Less: Transfer to General Reserve	9.51	0
Closing Balance	4.33	13.58
(ii) Storage Reserves for Molasses:		
Opening Balance	105.17	98.55
Add: Current Year Transfer	6.49	6.62
Less: Transfer to General Reserve	58.52	0
Closing Balance	53.14	105.17
(iii) Effluent Disposal Reserves		
Opening Balance	12.10	11.74
Add: Current Year Transfer	0.27	0.36
Less: Transfer to General Reserve	7.77	0
Closing Balance	4.60	12.10
(d) Capital Reserves	67.90	67.90
(e) Capital Redemption Reserve		
Opening Balance	67.00	0
Add: Transfer from General Reserve	67.00	67.00
Closing Balance	134.00	67.00
(f) Revaluation Reserves		
Opening Balance	23,206.36	0
Add: On revaluation of Tangible Assets	0	23,207.83
Less: Transfer to Depreciation Account	536.74	1.47
Closing Balance	22,669.62	23,206.36
(g) Surplus		
Opening balance	(1,265.87)	732.63
Add: Net Profit/(Net Loss) For the Current Year	(1,668.20)	(1,998.50)
Closing Balance	(2,934.07)	(1,265.87)
Total	22,176.28	23,733.70

4. LONG TERM BORROWINGS

PARTICULARS	As at 30th June, 2013	(₹ In Lac) As at 30th June, 2012
(a) Secured Borrowings		
(i) Term Loans from Banks		
(1) Sugar Development Fund (Modernisation Loan) Secured by way of first pari passu charge on Properties of the Sugar Factory at Baheri both present and future Tranche I: Terms of Repayments: Repayable in 5 annual installments of ₹ 44.05 Lac each, starting from August 3, 2018 to August 3, 2022. Interest payable at Bank rate minus 2% (i.e. 4% p.a.) payable alongwith the principal repayment Tranche II: Terms of Repayments: Repayable in 5 annual installments of ₹ 46.72 Lac each, starting from August 15, 2018 to August 15, 2022. Interest payable at Bank rate minus 2% (i.e. 4% p.a.) alongwith the principal repayment	453.89	453.89
(2) Sugar Development Fund (Cane Development Loan) Secured by way of first pari passu charge on Properties of the Sugar Factory at Baheri both present and future Terms of Repayments: Repayable in 4 annual installments of ₹ 62.50 Lac each. Last installment due in June, 2014. Interest payable annually at Bank Rate minus 2% p.a. (i.e. 4%)	0	62.50
(3) Sugar Development Fund (Raw Sugar Loan) Secured by way of first pari passu charge on Properties of the Sugar Factory at Baheri both present and future Terms of Repayments: Repayable in 4 annual installments of ₹ 62.50 Lac each. Last installment due in March 2014. Interest payable annually at Bank Rate minus 2% p.a. (i.e. 4%)	0	62.50
(4) Sugar Development Fund (Co-Gen Term Loan) Secured by way of first pari passu charge on Properties of the Sugar Factory at Baheri both present and future. Tranche I: Terms of Repayments: Repayable in 10 half yearly installments of ₹ 159.77 Lac each, starting from July 4, 2014 to January 4, 2019. Interest payable at Bank rate minus 2% (i.e. 4% p.a.) payable annually during the moratorium period and alongwith the principal repayment thereafter. Tranche II: Terms of Repayments: Repayable in 10 half yearly installments of ₹ 158.47 Lac each, starting from March 2015 to September 2019. Interest payable at Bank rate minus 2% (i.e. 7.50% p.a.) payable annually during the moratorium period and alongwith the principal repayment thereafter.	3,182.46	3,182.46
(5) UCO Bank Ltd. (Co-Gen 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 Secured by way of 1st pari passu charge on the Current Assets of Power Project both present and future. Collateral Security: Secured by way of 2nd pari passu charge on the Current Assets of Sugar, Distillery Division at Baheri (except Sugar Stocks pledged) both present and future. Tranche I: Terms of Repayments: Repayable in 24 quarterly installments of ₹ 167 Lac each, starting from December 2012 to September 2018. Interest payable at Base Rate plus 3% p.a. with monthly rest. Tranche II: Terms of Repayments: Repayable in 24 quarterly installments of ₹ 91.67 Lac each, starting from December 2012 to September 2018. Interest payable at Base Rate plus 3% p.a. with monthly rest.	4,111.69	3,924.22

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PARTICULARS	(₹ In Lac)	
	As at 30th June, 2013	As at 30th June, 2012
(6) Allahabad Bank (Modernisation Term Loan)	257.00	337.00
Primary security: Secured by way of first pari passu charge on all Fixed Assets of Sugar Division at Baheri 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		
Terms of Repayments: Repayable in 24 quarterly installments of ₹ 20 Lac each, starting from November 2011 to August 2017. Interest payable at Base Rate plus 3% p.a. with monthly rest.		
(7) Allahabad Bank (Co-Gen Term Loan)	4,388.06	4,516.86
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 at Baheri Project both present and future		
Collateral Security: Secured by way of 2nd pari passu charge on the Current Assets of Sugar, Distillery Division at Baheri (except Sugar Stocks pledged) both present and future		
Tranche I: Terms of Repayments: Repayable in 24 quarterly installments of ₹ 167 Lac each, starting from December 2012 to September 2018. Interest payable at Base Rate plus 3% p.a. with monthly rest.		
Tranche II: Terms of Repayments: Repayable in 24 quarterly installments of ₹ 91.67 Lac each, starting from December 2012 to September 2018. Interest payable at Base Rate plus 3% p.a. with monthly rest.		
(8) Vehicle Loan	0.43	5.20
Secured by hypothecation of respective Vehicles. Terms of Repayments:- Repayable in 36 to 60 Equated Monthly Installments starting from the date of the loan and carrying Interest in the range of 8.34% to 17.16% p.a.		
(ii) Term loans from Others		
Vehicle Loan (Various Financial Companies)	1.57	6.60
Secured by hypothecation of respective Vehicles. Repayable in 36 Equated Monthly Installments starting from the date of the loan and carrying Interest ranging from 8.40% to 17.16% p.a.		
Total Secured Borrowings	<u>12,395.10</u>	<u>12,551.23</u>
(Out of the total secured borrowings of ₹ 14,682.10 Lac (P.Y. ₹ 13,443.53 Lac), borrowings of ₹ 2,287.00 Lac (P.Y. ₹ 892.31 Lac) having current maturities, have been disclosed in Note No. 9)		
(b) Unsecured Borrowings		
(i) Deposits from Public	294.91	347.57
Repayment Terms: Repayable in one to three years starting from the date of the deposits and carrying interest in the range of 12.00% to 12.50% p.a.		
(ii) Loans from Related Parties	381.42	749.00
Interest free and repayable on demand but not before 12 months from the date of Balance Sheet		
Total Unsecured Borrowings	<u>676.33</u>	<u>1,096.57</u>
(Out of the total unsecured borrowings of ₹ 800.07 Lac (P.Y. ₹ 1,144.15 Lac), borrowings of ₹ 123.74 Lac (P.Y. ₹ 47.58 Lac) having current maturities, have been disclosed in Note No. 9)		
Total	<u><u>13,071.43</u></u>	<u><u>13,647.80</u></u>
5. OTHER LONG TERM LIABILITIES		
Deposits from Dealers & Customers	93.41	101.94
(Repayable on cancellation of distributionship and Interest in the range of 9% to 12% p.a.)		
Total	<u><u>93.41</u></u>	<u><u>101.94</u></u>



6. LONG TERM PROVISIONS

PARTICULARS	As at 30th June, 2013	(₹ In Lac) As at 30th June, 2012
Provision for Employees Benefits		
Leave Encashment (Non funded)	59.63	66.66
Total	59.63	66.66

7. SHORT TERM BORROWINGS

(i) Secured Short Term Loans from Banks		
Cash Credit Facilities		
(1) Allahabad Bank	4,421.07	3,390.75
[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) & Spirit Division and secured by second pari passu charge on Fixed Assets of Sugar & Spirit Division		
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 and Rate of Interest: Base Rate + 4% p.a.]		
(2) U. P. Co - Operative Bank	17,187.40	11,872.33
(Secured by hypothecation / pledge of Stocks of Sugar and further secured by second pari passu charge on Fixed Assets of Sugar Division and Rate of Interest: 11.50% p.a.)		
(ii) Unsecured Short Term loans from Banks		
(a) From UCO Bank	4,000.00	2,999.99
(b) From Allahabad Bank	2,000.00	2,000.00
(Rate of Interest: 7% p.a.)		
Total	27,608.47	20,263.07

8. TRADE PAYABLES

Trade Payables (for goods and services received)		
(a) Outstanding towards Micro and Small Enterprises (Ref Note No. 33)	159.92	88.84
(b) Others	10,161.36	8,500.44
Total	10,321.28	8,589.28

9. OTHER CURRENT LIABILITIES

(a) Current maturities of Long Term Debts		
(i) Current maturities of Long Term Debts - Secured Borrowings (Refer Note No. 4)	2,287.00	892.31
(ii) Current maturities of Long Term Debts - Unsecured Borrowings (Refer Note No. 4)	123.74	47.58
(b) Interest accrued but not due on Borrowings	453.33	340.85
(c) Trade Payables for Capital Goods	625.15	998.64
(d) Trade Payables for Other Contractual Obligations	302.38	437.92
(e) Payable to Related Party	174.47	205.65
(f) Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid Dividends	6.07	9.84
(g) Income received in advance	413.92	974.86
(h) Statutory Dues	1,033.03	1,152.50
(i) Bank Account Book Overdraft	70.94	0
Total	5,490.03	5,060.15

10. SHORT TERM PROVISIONS

Provision for Employees Benefits		
(i) Gratuity (Funded)	393.01	229.54
(ii) Leave Encashment (Unfunded)	40.68	3.16
(iii) Provisions for Bonus & Exgratia	24.57	32.30
Total	458.26	265.00

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11. FIXED ASSETS

(₹ In Lac)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1st July, 2012	Balance on Revaluation as at 1st July, 2012	Balance as at 30th June, 2013	Disposals/ held for Disposal	Balance as at 1st July, 2012	Depreciation/ amortization charge for the year	On Revaluation	On Disposals/ held for Disposal	Balance as at 30th June, 2013	Balance as at 30th June, 2012
(a) Tangible Assets										
(i) Land										
(1) Freehold	287.42	5,064.89	5,877.38	0	0	0	0	0	5,877.38	5,352.31
(2) Lease hold Land Premium	0.06	0	0.06	0	0	0	0	0	0.02	0.02
(3) Leasehold Land	12.39	6,454.70	6,467.09	0.00	0.15	0.13	54.24	0	6,409.98	6,464.36
	299.87	11,519.59	12,344.53	0	0.15	0.13	54.24	0	12,287.38	11,816.69
(ii) Buildings	3,489.11	3,396.98	2,300.54	0	0.19	262.71	67.94	0	1,957.44	7,229.20
(iii) Plant and Equipments	9,187.48	7,976.69	18,841.65	73.10	1.09	1,091.97	398.83	43.17	7,557.03	28,375.69
(iv) Office Equipments	540.16	0	62.72	9.82	0	37.70	0	5.26	430.90	162.16
(v) Vehicles	543.33	0	504.98	38.36	0	35.38	0	35.77	407.71	97.27
(vi) Furniture and Fixtures	365.58	314.57	628.02	67.97	0.04	18.30	15.73	38.90	258.89	369.13
Total (a)	14,425.53	23,207.83	21,745.82	189.25	1.47	1,446.19	536.74	123.10	10,669.12	48,520.83
(b) Intangible Assets										
Computer software	133.91	0	12.94	0	0	15.44	0	0	116.40	30.44
Total (b)	133.91	0	12.94	0	0	15.44	0	0	116.40	30.44
Total (a+b)	14,559.44	23,207.83	21,758.76	189.25	1.47	1,461.63	536.74	123.10	10,785.52	48,551.27
Capital Work In Progress	18,934.83	0	77.35	18,934.83	0	0	0	0	77.35	18,934.83
Total (a+b+c)	33,494.27	23,207.83	21,836.11	19,124.08	1.47	1,461.63	536.74	123.10	10,785.52	48,628.62
<i>Previous Year Total</i>	<i>18,761.49</i>	<i>23,207.83</i>	<i>16,110.23</i>	<i>1,377.45</i>	<i>0</i>	<i>558.29</i>	<i>1.47</i>	<i>1,036.95</i>	<i>8,910.24</i>	<i>47,791.86</i>

Note: The written down value of Freehold Land, Leasehold Land, Building, Plant and Equipments and Furniture and Fixtures revalued by the Company were ₹ 4,717.60 Lac and their fair market value were ₹ 27,923.26 Lac. Hence, the revaluation resulted in increase in the value of Freehold Land, Leasehold Land, Building, Plant and Equipments and Furniture and Fixtures by ₹ 23,207.83 Lac. The revaluation of the Freehold Land, Leasehold Land, Building, Plant and Equipments and Furniture and Fixtures resulted into additional Depreciation charge of ₹ 536.74 Lac (P.Y. ₹ 1.47 Lac) for the year under consideration. In accordance with the option given in the Guidance Note on Accounting for Depreciation, the Company recoups such additional Depreciation out of Revaluation Reserve every year.

Borrowing Costs Capitalized during the year was ₹ 403.45 Lac (P.Y. ₹ 958.08 Lac).

12. NON CURRENT INVESTMENTS

PARTICULARS	As at 30th June, 2013	(₹ In Lac) As at 30th June, 2012
(a) Trade Investments (Unquoted)		
In fully paid Equity Shares:		
(i) 300 Shares of ₹ 100/- each of U.P. Seeds & Tarai Development Corporation Ltd.	0.30	0.30
(ii) 5 Shares of ₹ 10/- each of Baheri Co-operative Cane Development Union Ltd.	0	0
(iii) 17 Shares of ₹ 20/- each of Sahakari Ganna Vikas Samiti Ltd.	0	0
(iv) 1 Share of ₹ 100/- of Ganna Beej Nigam, Bareilly	0	0
(v) 1 Share of ₹ 20/- of Bhojeepura Co-operative Cane Development Union Ltd.	0	0
(vi) National Savings Certificates	1.37	1.37
Total	1.67	1.67
(b) Non Trade Investments		
(i) In fully paid Equity Instruments (Quoted)		
(1) 5,00,000 Equity Shares of ₹ 10/- each of Kesar Terminals and Infrastructure Limited (Extent of Holding 9.52% [P.Y. 9.52%])	50.00	50.00
(2) 43,200 Equity Shares of ₹ 2/- each of Walchandnagar Industries Ltd. [Extend of holding 0.11% (P.Y. 0.11%)]	0.27	0.27
(3) 9,230 Equity Shares of ₹ 10/- each of Shervani Industrial Syndicate Ltd. [Extend of holding 0.28% (P.Y. 0.28%)]	0.23	0.23
(4) 15,000 Equity Shares of ₹ 2/- each of Indian Hume Pipe Co. Ltd. [Extend of holding 0.01% (P.Y. 0.01%)]	0.18	0.18
(ii) In Joint Venture (Unquoted)		
Investments in Joint Controlled Special Purpose Company 25,000 Equity Shares of ₹ 10/- each of Kesar Multimodal Logistics Ltd. [Extend of holding 0.21% (P.Y. 50%)]	2.50	2.50
(iii) In fully paid Equity Instruments (Unquoted)		
10 Equity Shares of ₹ 1,000/- each of Antophill Warehousing Company Ltd.	0.10	0.10
Total	53.28	53.28
Total (a+b)	54.95	54.95
Aggregate cost of Quoted Investments	50.68	50.68
Aggregate cost of Unquoted Investments	4.27	4.27
Total	54.95	54.95
Market Value of Quoted Investments	306.75	346.65

13. DEFERRED TAX ASSETS (NET)

(a) Deferred Tax Assets		
(i) Expenses allowable on payment basis for Tax purposes	240.12	207.59
(ii) Carried Forward Business Losses and Unabsorbed Depreciation	1,329.63	1,088.84
(b) Deferred Tax Liability		
Impact of difference between Tax Depreciation & Book Depreciation	1,190.91	917.59
Net Deferred Tax Assets (a-b)	378.84	378.84

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14. LONG TERM LOANS AND ADVANCES

PARTICULARS	(₹ In Lac)	
	As at 30th June, 2013	As at 30th June, 2012
(a) Capital Advances	1.00	467.89
(b) Security Deposits (Unsecured, considered good)	86.57	188.29
(c) Advance Payment of Income Tax including Wealth Tax [Net of Provisions of ₹ 530.72 Lac (P.Y. ₹ 600.56 Lac)]	290.93	292.66
(d) MAT Credit entitlement	64.16	64.16
(e) Other Loans and Advances Unsecured, considered good	223.39	228.97
Unsecured, considered doubtful	17.81	22.23
	241.20	251.20
Less: Provision for doubtful advances	17.81	22.23
	223.39	228.97
Total	666.05	1,241.97

15. OTHER NON CURRENT ASSETS

(a) Fixed Deposits with maturity of more than 12 months (Under lien for issuing various Bank Guarantees in favour of Government authorities and Public Deposits)	67.09	103.51
(b) Interest Accrued on Bank Fixed Deposits	10.86	10.40
(c) Interest Accrued on Investments	0.67	0.57
Total	78.62	114.48

16. INVENTORIES

(a) Raw Materials and components (Valued at Cost)		
(i) Molasses	114.17	131.11
(ii) Malt Spirit	14.20	14.22
(iii) Seeds	7.25	65.12
(iv) Agricultural Products	0	34.97
	135.62	245.42
(b) Work-in-progress (Valued at Cost)		
(i) Sugar	170.23	36.00
(ii) Molasses	35.09	0.45
(iii) Rectified Spirit	36.24	8.86
(iv) Crop-in-Progress	0	145.51
	241.56	190.82
(c) Finished goods (Valued at lower of Cost and Market value)		
(i) Sugar *	20,028.42	15,324.13
(ii) Spirits *	868.23	816.70
(iii) Banked Power	76.14	0
(iv) Seed	46.83	242.05
	21,019.62	16,382.88
(d) Traded Goods (Valued at lower of cost and Market value)	0.25	4.71
(e) By - Products (Valued at estimated realisable value)		
(i) Molasses	49.95	144.99
(ii) Bagasses	50.36	1,916.44
	100.31	2,061.43
(f) Stores and spares (Valued at Cost)	454.36	506.11
(g) Loose Tools / Scrap (Valued at estimated realisable value)	0	0.30
Total	21,951.72	19,391.67

* includes Excise Duty on balance stock of current year production ₹ 991.22 Lac (P.Y. ₹ 952.45 Lac)

17. TRADE RECEIVABLES

PARTICULARS	As at 30th June, 2013	(₹ In Lac) As at 30th June, 2012
(Unsecured, considered good unless stated otherwise)		
(a) Outstanding for a period exceeding six months from the date they are due for payment	257.04	359.15
Unsecured, considered doubtful	34.90	14.08
	291.94	373.23
Less: Provision for doubtful debts	34.90	14.08
	257.04	359.15
(b) Others	5,972.74	1,153.28
Total	6,229.78	1,512.43

18. CASH AND BANK BALANCES

Cash & Cash Equivalent		
(a) Balance with Bank		
(i) On Current Account	922.98	225.90
(ii) On Unclaimed Dividend Accounts	6.07	9.84
(iii) On Post Office Saving Bank Account	0.16	0.16
(b) Cash on hand	13.39	5.04
Total	942.60	240.94

19. SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered good)		
(a) Loans and Advances to Employees	14.52	28.68
(b) Loans and Advances to Related Party	0.06	191.29
(c) Others	1,261.05	1,304.60
Total	1,275.63	1,524.57

20. OTHER CURRENT ASSETS

Assets under disposal	0	287.91
Total	0	287.91

21. REVENUE FROM OPERATIONS

PARTICULARS	For the year ended 30th June, 2013	For the year ended 30th June, 2012
Sale of Products		
(a) Manufactured Goods		
(i) Sugar	21,883.42	22,646.83
(ii) Power	6,776.57	0
(iii) Spirits	17,212.52	22,064.08
(iv) Seed	456.16	849.76
(v) By - Products	422.91	78.07
Less: Transferred to Molasses & Alcohol Storage Reserves and Effluent Disposal Reserves	7.02	7.32
	46,744.56	45,631.42
(b) Traded Goods (Seeds)	57.16	62.20
(c) Agricultural Products	95.92	136.02
(d) Other Operating Revenue		
(i) Sale of Exports Quota	0	261.25
(ii) Others	356.96	212.59
Total (a+b+c+d)	47,254.60	46,303.48
Less: Excise Duty	13,498.21	17,710.61
Total	33,756.39	28,592.87

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22. OTHER INCOME

PARTICULARS	(₹ In Lac)	
	For the year ended 30th June, 2013	For the year ended 30th June, 2012
(a) Dividend Income	13.32	5.82
(b) Interest Income (Tax deducted at Source ₹ 1.21 Lac (P.Y. ₹ 0.87 Lac)		
(i) On Fixed Deposits	7.30	8.08
(ii) Others	0.83	3.15
(c) Rent	6.85	5.78
(d) Credit Balance Written Back	8.72	37.07
(e) Profit on Sale of Fixed Assets (Net)	177.92	44.45
(f) Insurance Claims	14.94	5.96
Total	229.88	110.31

23. COST OF MATERIAL CONSUMED

(i) Raw Materials Consumed		
(a) Sugar Cane		
Opening Stock	0	0
Add: Purchases	24,715.05	23,341.80
Less: Closing Stock	0	0
Consumption	24,715.05	23,341.80
(b) Raw Seeds		
Opening Stock	65.12	319.15
Add: Purchases	188.21	249.91
Less: Closing Stock	7.25	65.12
Consumption	246.08	503.94
(c) Molasses & Spirits		
Opening Stock	145.33	67.31
Add: Purchases	532.75	548.09
Less: Closing Stock	128.37	145.33
Consumption	549.71	470.07
(d) Raw Materials Consumed for Power	245.64	0
(e) Agricultural Products		
Opening Stock	180.48	144.69
Add: Purchases	276.19	440.06
Less: Closing Stock	0	180.48
Consumption	456.67	404.27
(ii) Packing Material Consumed	1,542.86	2,055.98
Total	27,756.01	26,776.06

24. PURCHASE OF TRADED GOODS

Purchase of Traded Goods (Seeds)	36.30	23.31
Total	36.30	23.31

25. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(a) Opening Stock		
Finished Goods	15,430.44	12,059.33
Traded Goods	4.71	43.17
Work-in-Progress	45.31	133.44
By Products	2,061.43	221.80
Scrap Materials	0.30	2.42
	17,542.19	12,460.16



(₹ In Lac)

PARTICULARS	For the year ended 30th June, 2013	For the year ended 30th June, 2012
(b) Closing Stock		
Finished Goods	19,952.26	15,430.43
Banked Power	76.14	0
Traded Goods	0.25	4.71
Work-in-Progress	241.55	45.31
By Products	49.95	2,061.43
Scrap Materials	0	0.30
	<u>20,320.15</u>	<u>17,542.18</u>
Total	<u>(2,777.96)</u>	<u>(5,082.02)</u>

26. EMPLOYEE BENEFIT EXPENSES

(a) Salaries and Wages	2,160.91	1,866.89
(b) Gratuity expenses	163.47	38.63
(c) Contribution to Provident fund	118.56	124.32
(d) Contribution to Superannuation scheme	21.33	19.23
(e) Staff Welfare	40.28	28.37
Total	<u>2,504.55</u>	<u>2,077.44</u>

27. FINANCE COSTS

(a) Interest Expense		
(i) On Fixed Deposits	51.61	39.15
(ii) On Fixed Loans	1,370.74	94.17
(iii) On Cash Credit	1,833.86	1,473.81
(iv) On Short Term Loans	342.83	217.75
(b) Others including bank charges	38.50	51.46
Total	<u>3,637.54</u>	<u>1,876.34</u>

28. OTHER EXPENSES

(a) Stores and Spares Consumed	441.30	495.04
(b) Power and Fuel Consumed	240.46	730.31
(c) Repairs		
(i) Plant and Equipments	571.60	414.93
(ii) Building	81.20	74.40
(iii) Others	56.27	43.28
(d) Rent	120.02	124.93
(e) Insurance	51.90	46.39
(f) Rates and Taxes	245.90	243.67
(g) Commission and Brokerage	47.32	57.56
(h) Legal Charges	85.12	69.57
(i) Discount to Dealers	96.95	135.87
(j) Sales Promotion Expenses	31.54	95.92
(k) Loading and Unloading Charges	113.24	97.56
(l) Foreign Travelling Expenses	4.95	13.22
(m) Travelling Expenses	126.21	151.78
(n) Transportation and Freight Expenses	102.88	98.51
(o) Security and Other Labour Charges	126.07	132.01
(p) Charity and Donation	1.43	6.82
(q) Directors Sitting Fees	13.12	10.08
(r) Auditors Remuneration		
(i) Audit Fees	4.75	4.25
(ii) For Certification	6.12	4.51
(s) Cost Audit Fees	1.05	0.60
(t) Bad Debts	23.91	12.39
(u) Miscellaneous Expenses	443.09	348.13
Total	<u>3,036.40</u>	<u>3,411.73</u>

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29. Capital and other commitments

Particulars	As at	(₹ In Lac) As at
	30th June, 2013	30th June, 2012
Estimated amounts of contracts remaining to be executed on capital account and not provided for	22.35	2,054.79

30. Contingent Liabilities

Nature of claim/Demands	As at	(₹ In Lac) As at
	30th June, 2013	30th June, 2012
Claims / demands against the Company under litigation:		
Central Sales Tax	122.56	115.96
Entry Tax (U.P.)	730.30	753.33
Trade Tax (U.P.)	193.07	127.68
Excise Duty	408.02	338.09
Arrears of Dividend on Cumulative Preference Shares	2.21	2.00
Others	35.55	36.77
Total	1,491.71	1,373.83

31. Alcohol and Molasses Storage Reserves and Effluent Disposal Reserves amounting to ₹ 62.06 Lac (P.Y. ₹ 130.83 Lac) are not deposited with a Scheduled Bank, as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974.
32. The Company had increased Molasses Storage capacity by 32.73 Lac Liters in the year 2003-2004 and hence ₹ 75.79 Lac is transferred from Storage and Effluent Disposal Reserves to General Reserve.
33. The Micro, Small and Medium Enterprises to whom amount was payable and outstanding for more than 45 days (as per the terms & conditions of the orders) are as under:-

Particulars	As at	(₹ In Lac) As at
	30th June, 2013	30th June, 2012
The principal amount and the interest due thereon remaining unpaid to any supplier	159.91	88.84
The amount of Principal and interest paid beyond the appointed day	87.44	6.93
The amount of interest due and payable on delayed payments	5.25	1.40
The amount of interest accrued and remaining unpaid	5.25	1.40
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	0	0

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

34. Employee Benefit

Defined Contribution Plans

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

Particulars	For the year ended 30th June, 2013	(₹ In Lac) For the year ended 30th June, 2012
Employer's Contribution to Provident Fund	118.56	124.32
Employer's Contribution to Super Annuation Fund	21.33	19.23

Defined Benefit Plan

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

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

- (a) The amounts recognized in the balance sheet are as follows:

Particulars	(₹ In Lac)	
	Defined Benefit (Gratuity) Plan For the year ended 30th June, 2013	For the year ended 30th June, 2012
Present Value of funded obligations	763.25	632.34
Fair Value of plan assets	370.24	402.80
Net liability	393.01	229.54
Amount in balance sheet as Liabilities	393.01	229.54

- (b) The amounts recognized in the statement of profit and loss are as follows:

Particulars	(₹ In Lac)	
	Defined Benefit (Gratuity) Plan For the year ended 30th June, 2013	For the year ended 30th June, 2012
Current service cost	41.14	31.90
Interest on obligation	47.88	43.58
Expected return on plan assets	(34.32)	(37.57)
Net actuarial losses / (gains) recognized in year	108.77	46.90
Adjustment to opening Balance of plan assets	Nil	(45.69)
Plan assets (Contributions) / transfers by employer	Nil	(0.49)
Total included in employee benefit expense	163.47	38.63

- (c) Loss / (gain) on Actual Plan Assets

Particulars	(₹ In Lac)	
	Defined Benefit (Gratuity) Plan For the year ended 30th June, 2013	For the year ended 30th June, 2012
Expected return on plan assets	(34.32)	(37.57)
Actual return on plan assets	34.88	38.77
Net actuarial (gains) / losses on plan assets	(0.56)	(1.19)

- (d) Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	(₹ In Lac)	
	Defined Benefit (Gratuity) Plan For the year ended 30th June, 2013	For the year ended 30th June, 2012
Opening defined benefit obligation	632.34	580.65
Service costs	41.14	31.90
Interest costs	47.89	43.58
Actuarial losses / (gains)	109.33	48.09
Benefits paid	(67.45)	(71.88)
Closing defined benefit obligation	763.25	632.34

- (e) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	(₹ In Lac)	
	Defined Benefit (Gratuity) Plan For the year ended 30th June, 2013	For the year ended 30th June, 2012
Opening fair value of plan assets	402.80	389.74
Adjustment to opening Balance (on account of Interest)	Nil	45.69
Expected return on plan assets	34.32	37.57
Actuarial gains / (losses)	0.56	1.19
Contributions / (transfers) by employer	Nil	0.49
Benefits paid	(67.45)	(71.88)
Closing defined benefit obligation	370.24	402.80

The Company has invested in LIC Group Gratuity Scheme and hence the investment pattern is defined by LIC as per the Scheme.

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

Particulars	Defined Benefit (Gratuity) Plan	
	For the year ended 30th June, 2013	For the year ended 30th June, 2012
Discount rate	8.00%	8.00%
Salary escalation rate	6.00%	4.00%
Expected return on plan assets	9.30%	9.40%
The expected rate of return is based on the rate as declared by the fund manager (LIC)		

- (g) Amounts for the current and previous three years are as follows:

Particulars	Defined Benefit (Gratuity) Plan			
	For the year ended 30th June, 2013	For the year ended 30th June, 2012	For the year ended 30th June, 2011	For the year ended 30th June, 2010
Defined benefit obligation	763.25	632.34	580.65	682.65
Plan assets	370.24	402.80	389.74	581.95
Surplus/(deficit)	(393.01)	(229.54)	(190.91)	(100.70)

The Company expects to contribute ₹ 393.01 Lac to Gratuity fund in the next year

- (h) Experience Adjustment:

Particulars	Defined Benefit (Gratuity) Plan		
	For the year ended 30th June, 2013	For the year ended 30th June, 2012	For the year ended 30th June, 2011
On plan Liability (Gains)/Losses	7.42	48.09	(81.15)
On plan Assets Gains/(Losses)	0.19	6.79	(40.30)

- (ii) Leave Encashment (Non-funded)

The Company has recognised ₹ 56.04 Lac (P.Y. ₹ 34.58 Lac) the following amounts in statement of Profit and Loss based on actuarial valuation.

35. Segmental Reporting Disclosures under Accounting Standard 17

Business Segments:

Based on the guiding principles given in Accounting Standard 17 "Segmental Reporting" issued by the Institute of Chartered Accountants of India, the Company's primary business segments are

- Sugar
- Spirits
- Seed
- Power
- Agricultural Products

Geographical Segments:

Since the Company's activities/operations are primarily within the country and considering the nature of products it deals in, the risk and returns are same and as such there are no geographical segments.

Financial Information about the primary business segment:

Figures for the Year ended 30th June, 2013 indicated in bold. Previous year figures indicated in the row there below

Particulars	Sugar	Power	Spirits	Seed	Agricultural Products	Total
(a) Revenue from Operations						
Sales net of Excise Duty						
(Including Inter Division/Segment	28,097.76	11,108.22	4,502.39	516.47	511.53	44,736.37
Revenue and Net of Intra	23,352.90	0	5,167.47	911.95	634.64	30,066.96
Division Revenue)						
Other Income	2.05	17.46	8.19	4.14		31.84
	73.69		13.22	5.98	3.60	96.49
Less: Inter Segment Revenue	6,315.67	4,306.20	3.28		355.33	10,980.48
	1,071.37	0	0		403.73	1,265.25
Add: Unallocable Income						198.54
						14.82
Total Revenue						33,986.27
						28,703.18

Particulars	Sugar	Power	Spirits	Seed	Agricultural Products	(₹ In Lac) Total
(b) Segmental Results						
Segmental Result before Interest, Exceptional Items & Tax	(2,015.16)	4,249.09	660.04	(389.49)	40.52	2,545.00
	1,142.19	0	405.99	(526.35)	219.44	1,241.27
Less: Finance Cost						3,637.54
						1,876.35
Less: Unallocable Expenses Net of Unallocable Income						575.66
						302.89
Less: Exceptional Items	0					0
	1,281.54					1,281.54
Profit / (Loss) Before Tax						(1,668.20)
						(2,219.51)
Less: Provision for Tax (including Wealth Tax & MAT adjustments)						0
						182.67
Less: Deferred Tax						0
						(403.68)
Profit / (Loss) after Tax						(1,668.20)
						(1,998.50)
(c) Segmental Assets and Liabilities						
(i) Segmental Assets	41,742.74	24,939.19	11,485.42	770.23	136.50	79,074.08
	37,858.00	20,116.06	11,265.08	1,123.98	368.64	70,731.76
Unallocable Assets/ Investments						1,132.73
						1,807.86
Total Assets						80,206.81
						72,539.62
(ii) Segmental Liabilities	37,813.71	14,629.41	1,469.96	922.52	63.91	54,899.51
	29,426.63	13,487.73	1,347.63	1,030.16	66.04	45,358.19
Share Capital & Reserves & Surplus						23,104.29
						24,545.72
Unallocable Liabilities						2,203.01
						2,635.71
Total Liabilities						80,206.81
						72,539.62
(d) Capital Expenditure and Depreciation						
(i) Capital Expenditure including Capital Work in Progress	1,034.41	1,824.31	9.16	0	0	2,867.88
	354.96	15,690.04	3.03	0.53	40.92	16,089.49
Unallocable						33.40
						20.74
Total						2,901.28
						16,110.23
(ii) Depreciation/Amortization	362.58	866.47	159.72	7.64	14.25	1,410.66
	261.74	49.72	159.81	8.76	14.54	494.56
Unallocable Depreciation						50.97
						63.73
Total Depreciation/ Amortization						1,461.63
						558.29

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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36. Related party disclosures as per Accounting Standard 18

Names of related parties and nature of related party relationships:

- a) Key Management Personnel and their relatives:
 - Mr. H R Kilachand Chairman & Managing Director
 - Mrs. M H Kilachand Director
 - Relatives of Key Management Personnel
 - Mr. Rohan H Kilachand Son
 - 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.
 - Kilachand Devchand Commercial Pvt. Ltd.
 - Duracell Investments & Finance Pvt. Ltd.
 - Seel Investments Pvt. Ltd.
 - Skyline Chem-Trade Pvt. Ltd.

Disclosure of transactions between the Company and related parties and the status of outstanding balance as on 30th June, 2013 indicated in bold. Previous year figures indicated in the row there below:

Nature of Transaction	(₹ In Lac)								
	Kesar Terminals & Infrastructure Ltd.	H R Kilachand	Rohan H Kilachand	Kilachand Devchand & Co. Ltd.	Indian Commercial Co. Pvt. Ltd.	Seel Investment P. Ltd.	Duracell Investments & Finance P. Ltd.	Kesar Corporation P. Ltd.	Kesar Multimodal Logistics Ltd.
Expenses									
Reimbursement	33.95 (36.20)			16.13 (11.09)	1.58 (1.31)				0.31 (0.29)
Sharing of Common Expenses	154.03 (155.08)								
Assets Allocation	32.59 (0.00)								
Rent Paid				17.38 (17.38)	0.00 (46.00)				
Interest on F.D.		0.54 (0.54)							
Salary paid			16.85 (6.00)						
Managerial Remuneration		10.05 (9.48)							
Fixed Deposit Renewal		0.00 (5.00)							
Loans Paid Short term									0.00 (8.05)
Loans received						237.00 (365.00)	218.00 (384.00)		
Loans Repaid						37.00 (0.00)	37.00 (0.00)		
Equity Investments						372.04 (0.00)	376.54 (0.00)	74.93 (0.00)	2.50 (2.50)
Closing Balance									
Receivable for Expenses - Short Term	0.00 (191.29)								
Security Deposit		5.00 (5.00)			10.00 (89.70)				
Sundry Creditors	0.06 (89.04)			174.17 (163.41)	0.30 (42.25)				
Investments	50.00 (50.00)								2.50 (2.50)
Long Term Loans						192.96 (365.00)	188.46 (384.00)		

37. Disclosure in respect of Operating Lease in accordance with AS 19 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 ₹ 58.83 Lac (P.Y. ₹ 47.94 Lac).
 - ii) Later than one year and not later than five years ₹ 9.20 Lac (P.Y. ₹ 29.05 Lac).
- b) Lease payments recognised in the statement of profit and loss during the year is ₹ 50.02 Lac (P.Y. ₹ 23.91 Lac).

38. Supplementary statutory information

Particulars	For the year ended 30th June, 2013	(₹ In Lac) For the year ended 30th June, 2012
(a) CIF value of Imports Capital Goods	Nil	2,087.09
(b) Expenditure in Foreign Currency (Foreign Travelling & Business Promotion Expenses)	4.95	13.22
(c) Amount payable in Foreign Exchange (Unhedged) Capital Goods USD (in Lac)	Nil	4.82
₹	Nil	271.41

39. Disclosure in respect of Earning per Share in accordance with Accounting Standard (AS 20)

Particulars	For the year ended 30th June, 2013	(₹ In Lac) For the year ended 30th June, 2012
Profit after tax	(1,668.20)	(1,998.50)
Weighted average no. of equity shares	71,91,678	67,90,162
Nominal value of equity shares	₹ 10	₹ 10
Earnings per equity share	(23.20)	(29.43)

40. The Company follows Accounting Standard 22 (AS 22) "Accounting for taxes on Income", Deferred Tax Asset arising on account of Unabsorbed depreciation and brought forward losses has been recognised during the year only to the extent of Deferred Tax Liability. The management has assessed the position and on the basis of reasonable/virtual certainty of realising it in future, has recognised Deferred Tax Asset as on 30th June 2013 amounting to ₹ 1,569.74 Lac (P.Y. ₹ 1,296.43 Lac) and carried it as at the end of the year.

41. The previous year figures have been regrouped and re-casted wherever necessary.

For and on behalf of the Board of Directors

H R KILACHAND
Chairman & Managing Director

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

K D SHETH
Director

Place: Mumbai
Date: 29th August, 2013

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CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2013

PARTICULARS	As at 30th June, 2013	(₹ In Lac) As at 30th June, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT/(LOSS) BEFORE TAX	(1,668.20)	(2,219.51)
Non cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	1,461.63	558.29
Dividend Income	(13.32)	(5.82)
Interest Income	(8.13)	(11.23)
Interest and Finance Charges	3,637.54	1,876.35
Transferred to Molasses and Alcohol Storage Reserves & Effluent Disposal Reserves	7.02	7.32
Profit on sale of Fixed Assets / Investments	(177.92)	(44.45)
Credit Balances Written Back	(8.72)	(37.06)
Discount given to Debtors / Dealers	96.95	135.87
Bad Debts	23.91	12.39
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,350.76	272.15
Movements in working Capital		
Decrease / (Increase) in Inventories	(2,560.04)	(5,249.69)
Decrease / (Increase) in Trade Receivables	(4,838.21)	(182.74)
Decrease / (Increase) in Short term Loans & Advances	248.94	(932.43)
Decrease / (Increase) in Long term Loans & Advances	574.20	798.30
Decrease / (Increase) in Other Current Assets	287.91	(287.91)
Increase / (Decrease) in Trade Payables	1,740.71	7,406.18
Increase / (Decrease) in Other Current Liabilities	(1,149.68)	1,446.29
Increase / (Decrease) in Short term Provisions (Employee benefits)	193.26	31.93
Increase / (Decrease) in Other Long term Liabilities	(8.53)	(2.20)
Increase / (Decrease) in Long term Provisions	(7.03)	(10.08)
CASH (USED IN) / GENERATED FROM OPERATIONS	(2,167.71)	3,289.80
Taxes (Paid) / Refunds	1.73	(2.66)
NET CASH (USED IN) / FROM OPERATING ACTIVITIES	(2,165.98)	3,287.14
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets including Intangible Assets & CWIP	(2,901.28)	(16,110.23)
Sale/Scrap of Fixed Assets	244.05	384.95
(Purchase)/Sale of Investments	0	(2.25)
(Investment in)/withdrawal of Fixed Deposits	36.42	(15.63)
Interest Received	7.56	10.34
Dividend Received	13.32	5.82
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(2,599.93)	(15,727.00)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Addition / (Repayment) of Long Term Borrowings including current maturities	894.50	10,698.45
Allotted of Equity Shares / Share Premium	823.50	
Repayment of Redeemable Preference Shares	(67.00)	(67.00)
Addition / (Repayment) of Short Term Borrowings	7,345.40	3,573.71
Dividends Paid	(3.77)	(80.02)
Interest Paid	(3,525.06)	(1,644.69)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	5,467.57	12,480.45
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	701.66	40.59
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	240.94	200.35
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	942.60	240.94
COMPONENT CASH AND CASH EQUIVALENTS		
Cash on Hand	13.39	5.04
With Bank on Current Account	922.98	225.90
Unclaimed Dividend Account	6.07	9.84
Post office Account	0.16	0.16
TOTAL CASH AND CASH EQUIVALENTS	942.60	240.94

Note : Figures in brackets are outflows.

As per our report of even date

For Haribhakti & Co.
Chartered Accountants
FRN : 103523W

Sumant Sakhardande
Partner
Membership No. 34828

Place: Mumbai
Date: 29th August, 2013

For and on behalf of the Board of Directors

H R KILACHAND
Chairman & Managing Director

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

K D SHETH
Director

STATEMENT OF FIGURES FROM SEASON 1990-91 TO 2012-2013 (Sugar Factory)

SEASON	DURATION DAYS	CANE CRUSHED M. TONS	SUGAR PRODUCED M. TONS	RECOVERY % OF CANE CRUSHED
1990-1991	180	547,654.71	52,247.42	9.54
1991-1992	203	746,941.45	72,961.77	9.77
1992-1993	162	605,853.44	60,586.41	10.00
1993-1994	142	582,473.61	57,287.22	9.84
1994-1995	184	801,761.65	80,458.15	10.04
1995-1996	194	871,869.00	84,386.84	9.68
1996-1997	179	805,563.32	81,913.41	10.17
1997-1998	164	747,149.95	74,985.32	10.04
1998-1999	144	663,221.08	60,055.05	9.06
1999-2000	159	716,949.60	68,395.00	9.41
2000-2001	143	644,521.60	64,298.00	9.89
2001-2002	184	834,412.60	81,970.40	9.82
2002-2003	189	938,038.60	93,863.00	10.00
2003-2004	150	808,601.17	79,866.50	9.88
2004-2005	158	852,942.80	84,010.00	9.90
2005-2006	155	838,468.80	79,114.00	9.43
2006-2007	194	1,148,799.60	114,843.00	10.00
2007-2008	163	977,982.72	104,201.00	10.67
2008-2009	111	561,509.25	52,364.00	9.35
2009-2010	119	693,771.98	65,170.00	9.38
2010-2011	116	738,041.20	71,811.00	9.68
2011-2012	148	931,902.00	88,761.00	9.48
2012-2013	136	858,008.00	78,105.00	9.14

STATEMENT SHOWING PRODUCTION AND YIELD IN DISTILLERY

Year	Production (Litres)	Yield per Quintal of Molasses (Litres)
1990-1991	6,477,165	24.80
1991-1992	7,248,330	24.80
1992-1993	10,868,023	23.20
1993-1994	8,850,660	21.30
1994-1995	8,142,169	21.70
1995-1996 (15 months)	13,355,146	21.70
1996-1997	11,798,172	22.00
1997-1998	11,419,540	20.90
1998-1999	8,545,420	19.70
1999-2000	11,701,670	20.40
2000-2001	12,835,127	21.40
2001-2002	12,280,300	21.00
2002-2003	12,954,000	21.16
2003-2004	11,552,050	24.12
2004-2005	11,274,630	22.58
2005-2006	14,765,450	22.98
2006-2007	16,412,783	23.22
2007-2008	16,274,637	22.70
2008-2009	11,414,558	22.99
2009-2010	7,458,803	23.12
2010-2011	13,141,901	23.00
2011-2012	11,223,029	22.60
2012-2013	8,506,467	22.41

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FINANCIAL STATISTICS FOR LAST 11 YEARS (FROM 2002-2003 TO 2012-2013)

Year end position	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
Equity Share Capital	862.02	679.02	679.02	679.02	746.92	746.99	746.99	794.95	633.93	633.93	633.93
Reserves and Surplus	* 22,176.28	* 23,733.70	2,518.53	2,230.11	3,517.44	2,848.42	2,504.27	3,864.07	3,271.71	3,409.50	3,327.16
Deferred Tax Liability/(Assets)	(378.84)	(378.84)	24.84	345.83	650.79	634.95	897.26	752.27	417.15	277.28	262.86
Borrowings	43,090.64	34,956.36	20,824.08	25,135.42	16,420.60	17,097.70	11,881.89	9,581.43	7,507.10	6,958.04	7,547.44
Working Capital	17,132.52	11,276.43	14,819.70	21,886.08	11,935.84	13,084.11	8,483.45	8,242.78	5,536.90	4,836.65	5,551.90
Total Capital Employed	80,206.81	72,539.62	24,246.47	28,590.38	21,535.75	21,528.06	16,230.41	15,192.72	12,029.89	11,478.75	11,771.39
Gross Block	* 59,336.79	* 37,767.26	15,183.32	15,280.52	19,546.13	16,714.42	15,557.89	14,552.40	13,660.10	13,292.96	11,918.23
Net Block	* 48,551.27	* 28,857.03	5,795.90	6,036.20	9,102.09	6,997.99	6,496.57	6,078.81	5,697.98	5,765.89	4,774.26
Investments	54.95	54.95	52.70	52.44	52.49	7.00	2.00	455.60	455.10	455.10	455.39
Equity Shares											
Book Value (₹)	* 267.26	* 359.53	47.09	42.84	62.80	52.94	46.69	73.16	59.89	28.15	25.78
Face Value (₹)	10.00	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	47,254.59	46,303.48	49,620.98	26,638.70	29,505.78	29,161.56	27,951.98	27,955.41	25,044.67	24,555.65	28,080.17
Depreciation	1,461.63	558.29	583.10	579.79	738.79	661.19	607.76	537.97	512.96	500.43	444.53
Profit before Tax	(1,668.20)	(937.97)	42.73	224.59	1,089.84	156.53	(1,656.06)	1,824.69	1,863.44	157.23	(1,487.62)
Profit After Tax	(1,668.20)	(1,998.50)	361.74	239.30	904.39	381.36	(1,847.71)	1,111.00	1,661.73	128.49	(1,367.80)
Equity Dividend %	0	0	10.00	10.00	30.00	5.00	0	25.00	20.00	0	0
Equity Dividend Amount	0	0	67.90	67.90	203.70	33.95	0	158.48	126.79	0	0

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

* Including Revaluation Reserve.

Dear Shareholder,

Sub: “GO GREEN” initiative of the Ministry of Corporate Affairs (“MCA”), Government of India

The Ministry of Corporate Affairs (“MCA”), Government of India, has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by companies vide circular no. 17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011, in terms of which a company would have ensured compliance with the provisions of Section 53 of the Act, if services of documents have been made through electronic mode. The companies are now permitted to send various notices / documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. The Company thus proposes to send all documents to the Shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors’ Report, Auditors’ Report, etc. henceforth to the shareholders in electronic form in lieu of the physical form.

Shareholders holding shares in Physical form are requested to furnish their email id for the purpose of serving of documents by the Company in the electronic mode **in the form attached on the next page at the address of (RTA) M/s SHAREX DYNAMIC (INDIA) PVT. LTD. Unit-1, Luthra Ind Premises, Safed Pool, Andheri Kurla Road, Andheri East, Mumbai 400 072.**

Shareholders holding shares of the Company in electronic form and do not have any email id registered in their Demat Account with the Depository, are requested to furnish their email id **in the Demat Account with the Depository Participant (DP)** for the purpose of serving of documents by the Company in the electronic mode.

Shareholders holding shares of the Company in electronic form who have registered their email-id, in the records of the Depositories viz NSDL / CDSL, which have been made available to us as per the records maintained at the depository. **Please inform any changes in the email-id to the depository participant (DP) only,** for the purpose of serving of documents by the Company in the electronic mode.

As a member of the company, In case you do not desire to receive documents stated above in physical form, please write to us, quoting your Registered Folio Number at Registered Office of the Company or email to djs@kesarindia.com or to our Registrar & Share Transfer Agents M/s. Share Dynamic (India) Pvt. Ltd.

The Annual Report of the Company would also be made available on the Company’s website at www.kesarindia.com.

We are sure that you will welcome the “Green Initiative” taken by the MCA and your company’s desire to participate in the same.

We look forward to your support in this initiative.

Thanking you,

D J Shah

Sr. Vice President (Legal)
& Company Secretary

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To,

Sharex Dynamic (India) Pvt. Ltd.,

Unit No. 1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri (East),
Mumbai - 400 072

Unit: Kesar Enterprises Limited

Dear Sir,

Sub: "GO GREEN" initiative of the Ministry of corporate Affairs ("MCA"), Government of India

We are happy to note that our Company has taken up this initiative. We give below our email-id, for the purpose of serving of documents like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. by the Company in electronic mode.

Name of the Shareholder(S) :

Folio-No. :

Email id(s) :

Thanking you,

Yours faithfully.

Signature(s) of the Shareholders.

Dated :



KESAR ENTERPRISES LTD.

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

ATTENDANCE SLIP

Please fill and hand it over at the entrance of the Meeting Hall

I hereby record my presence at the 79th Annual General Meeting of the Company, to be held on Tuesday, 8th October, 2013 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

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

Name and Address of the Member:

Signature of Member or Proxy or Representative

* Applicable for investors holding shares in electronic form.



KESAR ENTERPRISES LTD.

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

PROXY FORM

I/We in the district of
of in the district of
being a Member/Members of Kesar Enterprises Ltd.
hereby appoint
of in the district of
or failing him/her
of or failing him/her
as my/our proxy to vote for me/us and
on my/our behalf at the 79th Annual General Meeting of the Company,
to be held on Tuesday, 8th October, 2013 at 3.30 p.m. at M. C. Ghia Hall,
Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg,
Mumbai 400 001 or at any adjournment thereof.

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



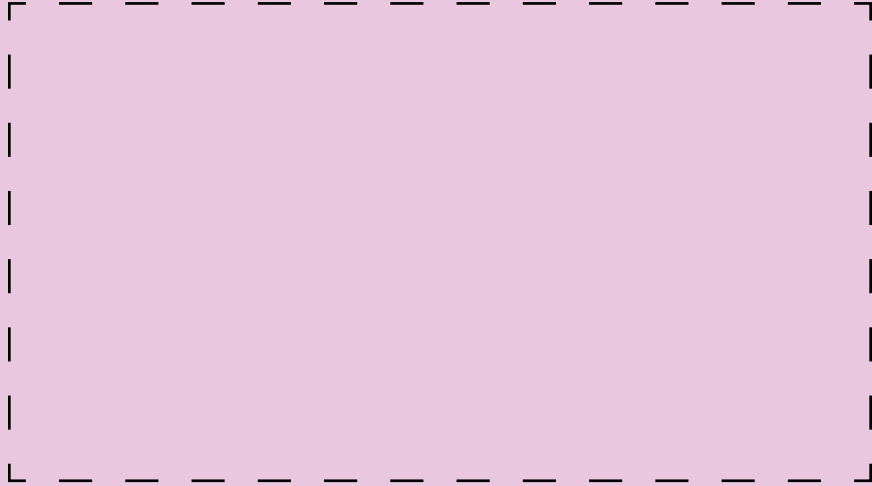
Signed this day of 2013

* Applicable for investors holding share in electronic form.

(Signature)

NOTE: The proxy in order to be effective should be duly filled up, stamped, signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid Meeting. The proxy need not be a member of the Company.

BOOK - POST



If undelivered please return to:

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