

# Consolidating

Kesar Petroproducts Limited  
Annual report, FY2017-18

## **Disclaimer**

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions.

The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should kindly bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# **Inside this Annual Report**

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## Consolidating

At Kesar Petroproducts, we recognise that our business will be affected by commodity cycles which we try and pass on to the market.

As a long-term player, our objective will be to moderate the impact of downcycles on our financials and maximise our upside during periods of sectoral recovery.

The Company is engaged in strengthening business sustainability through increased capacity, value-addition, backward integration and increased environment-protecting investments.

With the objectives to consolidate the business for the moment and generate sustainable growth thereafter.



# 7 things you need to know about Kesar Petroproducts Limited

## Vision

With an extensive experience and high quality products, we aim at becoming the one-point contact in the phthalocyanine industry. We are constantly thriving and working towards efficient manufacturing capabilities, continuous innovation, better environment management situation and economic viability.

### Leadership

The Company comprises some of the most competent industry professionals.

Dinesh Sharma: A Law graduate and Chartered Accountant with more than 30 years of industry experience, helped the Company emerge as a large quality-driven supplier of phthalocyanine blue crude and downstream products

Gajanan Bhavdekar: A Post Graduate in organic chemistry, who has been associated with the Company for seven years. He possess 43 years of experience in the areas of R&D, production, technical service and pigment marketing in India and abroad.

Kanayo D. Fatnani: A B.Tech with four decades of industry experience, who has handled a variety of industrial projects.

## Products

Kesar Petroproducts Limited, after reorganisation, is a leading manufacturer of phthalocyanine blue crude and downstream products. The Company accounts for nearly 9% of the global CPC capacity.

## Location

The Company's state-of-the-art manufacturing facilities are in Lote Parshuram in District Ratnagiri of Maharashtra. The Company has a marketing presence in 15 countries.

## Clients

The Company's clients comprise some of the most prominent downstream users in the inks, rubber, plastic, textile and paint sectors.

- Sudarshan Chemical Industries Limited

## Capacities

Product	Capacity (million tonnes per annum)
<b>Pigments</b>	
CPC Blue Crude	18000
Alpha Blue	2400
Beta Blue	3600
<b>Dye intermediates</b>	
K Acid	840
Gamma Acid	360
Vinyl Sulphonate	1200
Sulpho Para Vinyl Sulphone	600

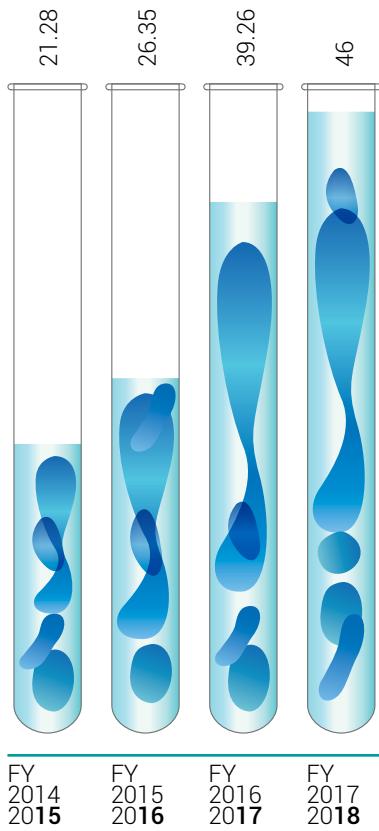
- Unilex Colours & Chemicals Limited
- Jaysynth Dyestuff (India) Limited
- Alliance Organics LLP ● Heubach Colour Private Limited ● Kolorjet Chemicals Private Limited ● Mallak Specialties Private Limited

## Listing

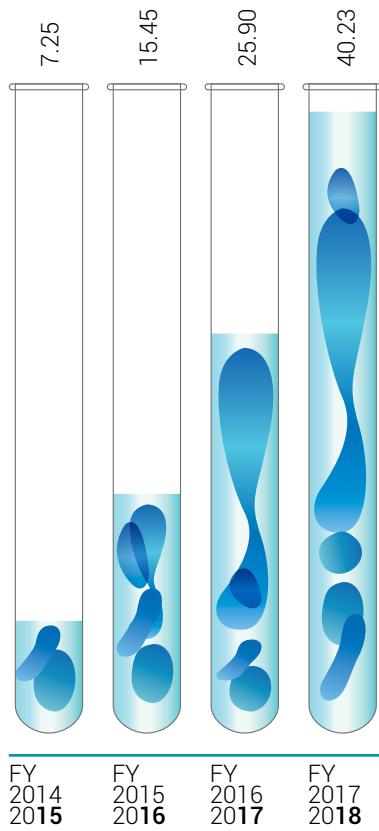
Kesar Petroproducts Limited's shares are listed and actively traded on the BSE. The Company had a market capitalisation of ₹180 crore as on 31st August 2018.

# Financial highlights

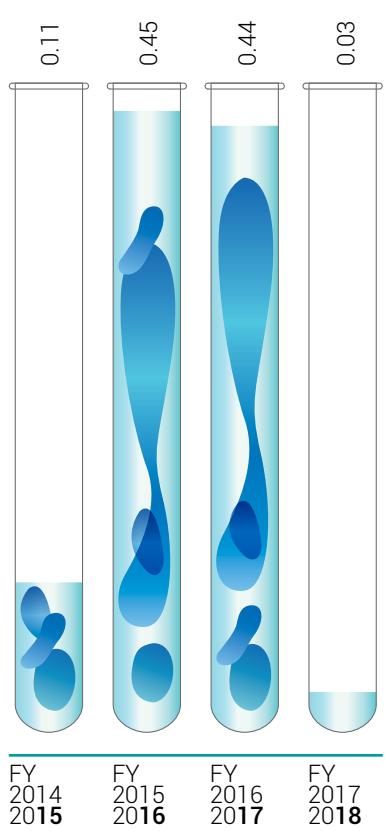
**Capacity utilisation (%)**  
(CPC including pigments)



**EBITDA**  
(₹ crore)



**Debt-equity ratio (x)**



## Definition

The production as a percentage of the Company's overall manufacturing capacity.

## Why is this measured?

This indicates the extent of utilisation achieved as well as the extent of utilisation left to be achieved (operating leverage).

## Performance

Although the Company's capacity utilisation has grown gradually over the years, there remains significant headroom for growth.

## Definition

This is what a company has earned before the deduction of interest, depreciation, extraordinary items and tax.

## Why is this measured?

This is an index of the Company's operational profitability, which can be compared with sectoral peers.

## Performance

The Company's operating profit has grown on the back of a steady capacity utilisation ramp-up.

## Definition

This is a financial ratio indicating the relative proportion of shareholders' equity and debt used to finance a company's assets.

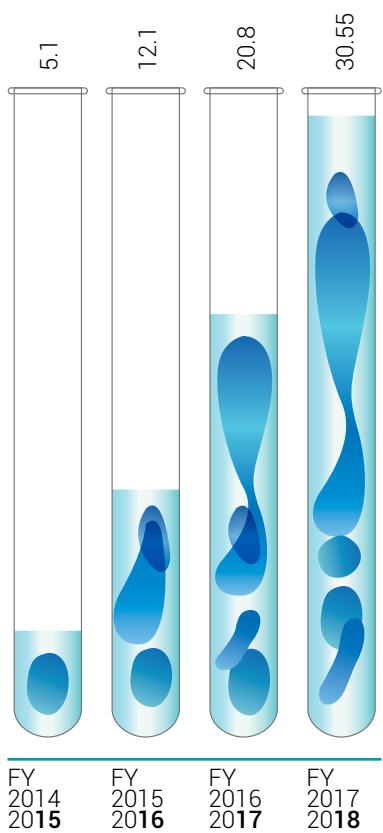
## Why is this measured?

This indicates the ability of a company to remunerate its shareholders over debt providers.

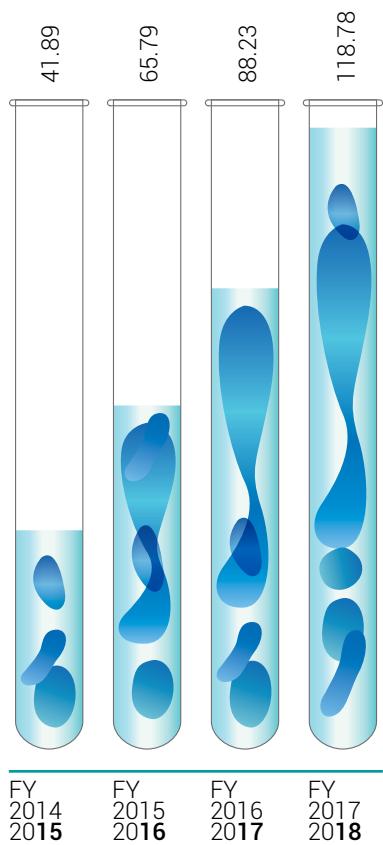
## Performance

The Company's gearing strengthened from 0.44x during FY 2016-17 to 0.03 x during FY 2017-18.

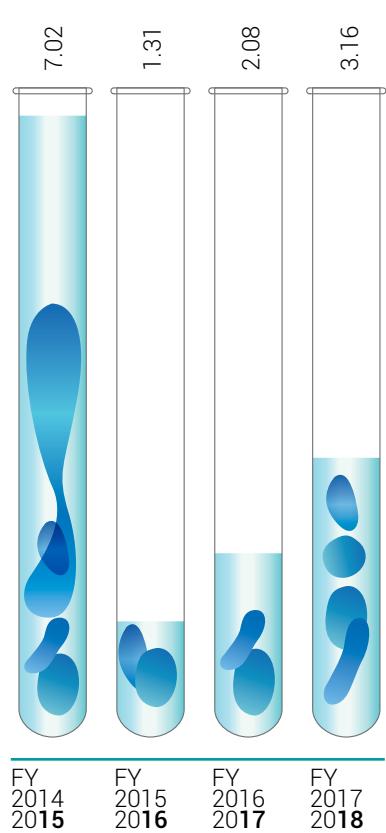
### Profit after tax (₹ crore)



### Net worth (₹ crore)



### Earnings per share (₹)



#### Definition

The net amount earned by a business after all taxation and other expenses have been deducted.

#### Why is this measured?

This indicates the amount of surplus available for reinvestments and dividend payout.

#### Performance

The Company's profit after tax strengthened by 52.13 % during FY 2017-18.

#### Definition

This is what the Company earned before the deduction of interest, depreciation, extraordinary items and tax.

#### Why is this measured?

A consistent increase in net worth means assets are growing faster than debts, and indicates good financial health.

#### Performance

The Company's net worth increased from ₹88.23 crore in FY 2016-17 to ₹118.78 crore in FY 2017-18.

#### Definition

This is derived by dividing profit after tax by the number of equity shares outstanding.

#### Why is this measured?

This indicates a company's ability to produce net profits for common shareholders.

#### Performance

The Company's EPS improved from ₹2.08 during FY 2016-17 to ₹3.16 during FY 2017-18.



## Chairperson's overview

"We will weather the prevailing slowdown, build additional downstream capacities, diversify our product mix and engage in backward integration with the objective of building a stronger and sustainable company."



Kesar Petroproducts performed creditably during the last financial year when it grew revenues 3.19 per cent and profit after tax 52.13 per cent over the previous financial year.

At our Company, the principal objective is to enhance our business sustainability. Our understanding of 'sustainability' does not necessarily indicate a continuous growth in revenues and profits. We do believe that in our commodity business there will be periods of business sluggishness alternating with phases of significant recovery. In this environment, our principal objective would be to resist sectoral downtrends – remain profitable on the one hand and maximize recovery during phases of industry rebound on the other.

### Strengthening business sustainability

I am pleased to report that we have done preciously this during the last few years through various initiatives.

One, we strengthened our throughput – from a time we generated ₹146.18

crore in revenues in 2014-15 to 2017-18 when we generated ₹180 crore in revenues – validating our capability in investing in manufacturing facilities, generating a higher throughput and being engaged deeper with customers.

**Two**, we ran an austere ship during the last few years, sustained by no access to short-term loans from banks to fund our working capital until the cooling period following our exit from BIFR had passed.

**Three**, we broadened the product base of our Company – from a considerable dependence on CPC to the manufacture of alternative products, whereby the proportion of the latter has increased by 10 per cent of our overall product mix today.

**Four**, by leveraging our sizable capacity - 9 per cent share of the global CPC market – in exchange for superior economies..

#### A sense of macro-optimism

The management of Kesar Petroproducts is optimistic of its long-term prospects for some good reasons.

As the consumer revolution has grown, there has emerged a greater role for vibrant colours in the consumer persuasion process. This focus has strengthened on account of improved printing technologies. The result is an enhanced ability to deliver any colour on demand and the ability to go into finer shade variations

within a single colour. The result is that not only has the quantum of our downstream business progressively increased, but there has been a growing room for quality value-added products. At our Company, we are capitalizing on this reality through a dynamic business model that is perpetually extending from one principal product to a number of value-added downstream alternatives.

There is a greater emphasis on the use of environment-friendly technologies. This emphasis is not only coming

from communities living in the periphery of pigment manufacturing facilities but also coming from customers needing to work with vendors employing responsible manufacturing practices, mitigating the risks of any environmental under-performance affecting product delivery and business continuity.

The market for pigments continues to grow, while the larger dyes market de-grows. Pigments presently account for just 2 per cent of the overall colours market, indicating a multi-year opportunity.

China has closed pigment capacities until stronger environment safeguards are introduced, an evident opportunity for manufacturers in India. Besides, China's pigments sector has been affected by higher wages, an attractive opportunity for Indian manufacturers to only address the growing global demand but also export to China.

#### Where we wish to go

At Kesar Petroproducts, the short-term aberration

## 7 strengths of Kesar Petroproducts

- No debt on the books
- 70% of revenues derived from clients of five years or more
- Ability to manufacture more products through in-house productisation capability
- Graduated from commodity end to value-addition (to progressively increase)
- Increase in capacity utilisation to drive ROCE
- Plans charted for widening the value-chain (backward and forward integration)
- Unused in-factory space to facilitate quick capacity creation

notwithstanding, we believe that we address an optimistic future.

We will weather the prevailing slowdown, build additional downstream capacities, diversify our product mix and engage in backward integration with the objective of building a stronger and more sustainable company.

**Mrs. Snehlata D. Sharma, Chairperson**

## Operational review, 2017-18

Even as the performance of our Company during the current financial year will be subdued, we believe that we are laying the foundation of a sustainable company and the upsides of this will be evident across the foreseeable future.

Mrs.. Snehalata Sharma, Chairman of the Board, explains the robustness behind the Company's 2017-18 performance



### Company's review in brief

- Increased value-added products from 25 per cent of product mix to about 40 per cent
- Capacity utilisation increased from 30 per cent to around 40 per cent
- Delay in debottlenecking CPC capacity
- Focus on new product introduction, enhanced capacity of existing products, investment in environment-friendly processes and strengthened operating efficiencies

### Q: How would you describe the Company's performance in 2017-18?

**A:** The Company's performance during the year under review was reasonable. The Company reported a 3.19 per cent growth in revenues and a 52.13 per cent increase in profit after tax, which was in line with what one had anticipated at the start of the year. Some of the positives reported by the Company comprised an increase of value-added products from 25 per cent of our product mix to about 40 per cent, indicating our commitment to extend beyond the commodity end of the business and create a differentiated company. This improvement was despite the fact that our capacity utilisation was only moderately higher at around 40 per cent. What we could have done better was strengthen our debottlenecking, which would have permitted us to create a stronger platform for sustainable growth; however, this initiative was delayed by the fact that our principal vendor encountered operating issues and could not deliver.

### Q: What was the principal achievement of the Company during the year under review?

**A:** It would be important for our shareholders to recognise that the Company has come from a position where considerably under-performed its vast potential for years. The fact that the Company reported an aggregate profit after tax of ₹50.63

crore and a cash profit of ₹53.70 crore across the last two years indicates a certain maturing of the Company. This maturing does not necessarily indicate that the Company will never be affected by a decline in sectoral realities: it indicates that each time the sector's prospects are affected, the decline in our performance will not be as sharp as the sectoral decline and each time there is a rebound, the improvement will be quicker and more pronounced than the sectoral rally.

### Q: The Company reported a challenged first quarter of 2018-19.

**A:** Even though a discussion of the performance of our Company during the first quarter of the current financial year lies outside the direct purview of 2017-18, it would be necessary for shareholders to know the complete reality. The performance of the Company during the first quarter of the current year was weaker than the immediate previous or corresponding quarter of the previous financial year. Profit after tax was ₹2.17 crore lower by 73 per cent when compared with the immediately previous quarter even though revenues were higher.

This decline was on account of various reasons: the proposed increase in CPC installed capacity from around 600 TPM to 1200 TPM, which could have provided the Company with a wider operating

base, was delayed for reasons indicated earlier, which means that the benefits that should have protected our performance during the first quarter were not evident. There were local and governmental operational issues related to the central effluent treatment plant utilized by the Company, which affected our throughput and distracted the management bandwidth from addressing business issues. There was an increase in CPC competition that moderated domestic realisations even as international realisations were fairly steady. There was a 20 per cent increase in the

cost of our principal raw material that impacted our overall production cost by ₹35 per kg without the corresponding advantage of being able to pass this cost increase to customers.

#### **Q: What is the outlook for the current financial year?**

**A:** The outlook for the Company's performance for the current financial year appears to be challenging at the moment. We expect that the current year will be weaker than what we reported in 2017-18. The objective of our management will be to look inward with the objective to

strengthen performance: introduce new products, enhance capacity of existing products, invest in environment-friendlier processes and strengthen operating efficiencies. Besides, we expect to commission the doubling of our CPC capacity by the end of the current financial year, generating attractive economies of scale from 2019-20 onwards. So even as the performance of our Company during the current financial year could remain subdued, we believe that we are laying the foundation of a sustainable company and the upsides of this will be evident across the foreseeable future.

## 7

### ways in which we are strengthening our business sustainability



We are at a position where, due to available capacities having been created at historical costs, the Company will be in a position to commission additional capacities at costs lower than the prevailing capital cost per tonne.



The Company intends to make a significant extension in its conventional business model: from the traditional manufacture of blue products to red products, opening out an entire new business area for the Company.

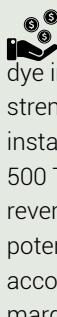


The Company intends to integrate backwards into the manufacture of sulphuric acid (150 TPD) effective June 2019, which will completely replace the Company's annual procurement of this product (₹20 crore, 2017-18) in addition to creating a revenue stream (on the basis of merchant sale).

into a higher league, strengthening its respect as a forward-looking manufacturer.



The Company intends to fund all these downstream investments through accruals (no long-term debt), ensuring that all business upsides enhance equity value



The extension into dye intermediates will strengthen the Company's installed capacity by 500 TPM with an annual revenue generation potential of ₹200 crore accompanied by attractive margins.



The Company intends to invest in waterless manufacturing technologies across the foreseeable future, graduating the Company

## 4

### ways in which we strengthened business sustainability in the last few years

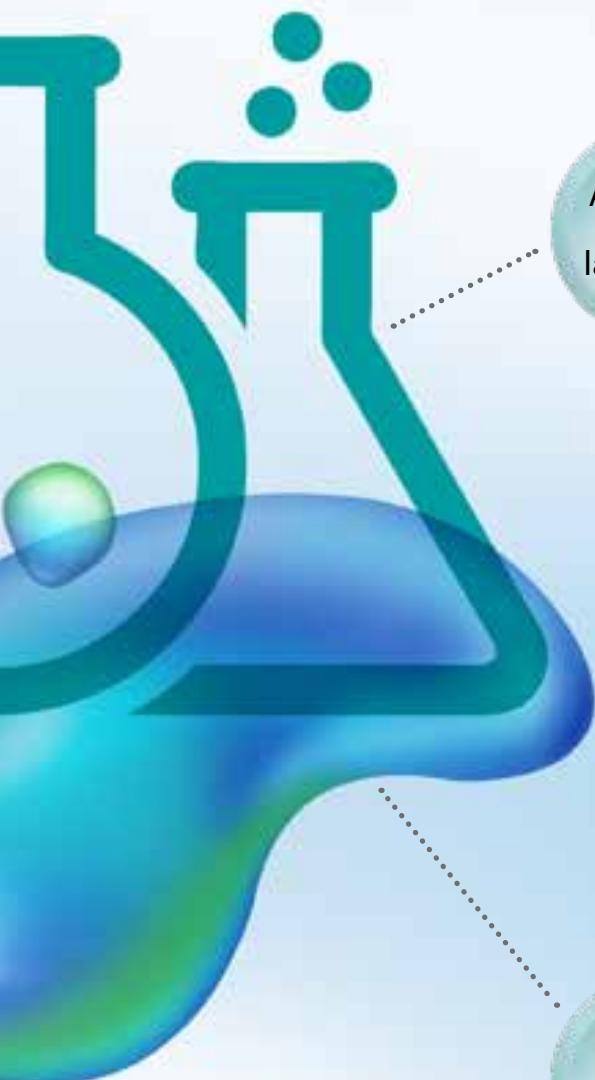
- The Company commissioned a 300 TPM beta facility in January 2017 for ₹ 5 crore, a value-added downstream product over CPC, our principal product.

- The beta manufacturing plant was commissioned in eight months against a prevailing benchmark of 18 months – out of accruals.

- The broadbasing helped mitigate an excessive dependence on CPC, our building block.
- In 2016-17, the Company debottlenecked its alpha blue capacity – from

- 80 TPM to 125 TPM (operational from June 2018) enhancing value-addition, increasing share of the customer's wallet and achieving this at a fraction of the greenfield capital cost per tonne.

# Kesar's distinctive business model



## Attractive National landscape

### Population growth

- India is the second-most populous country
- India's population has grown 4x over the last century compared to 1.5x for China
- India adds ~15 million people a year
- India is expected to become the most populous country by 2024

### Rising incomes

- India's per capita income grew 8.6% to ₹112,835 in 2017
- In real terms, the per capita income grew by 5.4% to ₹86,668 in 2017-18
- India's per capita income could >2x by 2027
- India's middle-class households are projected to ~4x to 128 million by 2030

### Demographics

- India is the second-most populous country with a median age of ~25
- ~ 41% of the population is aged below 20

### Growing urbanisation

- India's urban population is ~33.5% of the total population and contributes >60% of the country's GDP
- India's urbanization is expected to increase to 40 per cent by 2030
- It is estimated that the urban population will contribute ~75% of the GDP by 2030
- By 2050, the number of people living in Indian cities could reach 850 million

## Sectoral landscape

- **Downstream demand:** The demand for textiles, inks and paints is expected to rise, growing the pigments sector.

- **Reduced competition:** Growing costs of environment compliance have affected China's competitiveness – an opportunity for India

- **Stiffening regulations:** Stringent regulations have prompted a demand shift in the pigment sector towards waterless dyes and environment impact.

- **Increased investments:** Availability of skilled professionals, relatively low cost of manufacture and superior R&D have encouraged MNCs to establish pigment operations in India.

### How Kesar is addressing the sectoral context

- **By scaling capacities:** The Company has one of the largest capacities of CPC in the country and accounts for ~9% of the global capacity.
- **By cherry-picking customers:** The Company is consistently increasing wallet share from large and credible downstream clients.
- **By launching products:** The Company launched products with a focus on innovation and qualitative consistency.
- **By prioritising value-addition:** Revenues from high-margin non-CPC products increased by 10% of the total revenues in FY 2017-18
- **By growing sustainably:** The Company intends to maximise accruals to finance capex and enhance capacity (existing and new products).

### Strengths

- **Experience:** Over the past 8 years, the Company has emerged as one of the leading players in the market led by a team of professionals with extensive sectoral experience.
- **Technology:** The Company's technological foundation has helped reinforce machine-product compatibility, moderate capital costs and shrink commissioning tenures.
- **Network:** The Company's products are marketed in 15 different countries around the world. During the year under review, the Company earned 3.69 % of its revenues from exports.
- **Reputation:** The Company has established a reputation by consistently delivering quality products in line with demanding customer requirements.

### Impact, 2017-18

#### Tangible

- Revenues increased 3.19% y-o-y to ₹180 crore
- EBITDA margin improved 49.46%
- PAT grew 52.13% to ₹30.55 crore
- Market capitalisation of ₹330.62 crore
- Virtual debt-free position
- Increased returns to shareholders (EPS ₹3.16 compared to ₹2.08 in FY 2016-17)

#### Intangible

- The Company is one of the most respected players in the Indian pigments sector.
- People retention was 85%; retention at the senior level was 95%.

# Management discussion and analysis

## Global economic overview

In 2017, a decade after the global economy spiralled into a meltdown, a revival in the global economy became visible. Consider the realities, every major economy expanded and a growth wave created jobs. This reality was marked by ongoing growth in the eurozone, modest growth in Japan, a late revival in China and improving conditions in Russia and Brazil leading to an ~3.7% growth in the global economy in 2017, 60 bps higher than the previous year. Crude oil prices increased in 2017, with a price of US\$54.13 per barrel at the beginning of the year, declining to a low of US\$46.78 per barrel in June 2017 and closing the year at US\$61.02 per barrel, the highest since 2013.

## Outlook

The outlook for advanced economies improved, notably for the eurozone, but in many countries inflation remained weak, indicating that prospects of GDP growth were being held back by weak productivity levels and rising dependency ratios. Prospects of emerging market and developing economies in sub-Saharan Africa, the Middle East, and Latin America remained lacklustre with several countries experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustments to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting an improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF)

## Indian economic overview

After registering a GDP growth of >7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated to be 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies. This was achieved on the back of lower inflation, an improved current account balance and a reduction in the fiscal deficit-to-GDP ratio. (Source: CSO, Economic Survey 2017-18)

## Outlook

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and a growth in the services sector are expected to continue supporting economic activity. (Source: IMF, World Bank)

## Global economic growth

Year	2014	2015	2016	2017	2018 (f)	2019 (f)
Real GDP growth (%)	3.5	3.2	3.1	3.8	3.9	3.0

[Source: World Economic Outlook, January 2018] f: forecasted

## Key governmental initiatives and their impact on the economy

- **Bank recapitalisation scheme:** The Central Government announced capital infusion of ₹2.1 lac crore in public sector banks. (Source: KPMG)
- **Expanding road network:** To boost road infrastructure in the country and foster job creation, the Government of India announced a ₹6.9 lac crore investment outlay to construct 83,677 kilometres of road network, over a period of five years. The ambitious programme is expected to generate 14.2 crore man-day jobs for the country. (Source: KPMG)
- **GST implementation:** The Government of India carried out a significant overhaul of the indirect tax regime and launched the GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services would be taxed as per five slabs (28%, 18%, 12%, 5% and zero tax). To reduce the short-term inflationary effect of GST, the GST Council cut tax rates on > 250 goods and services by moving them to lower tax slabs in two separate rate cuts. Post-GST implementation, India's tax net expanded, as a 50% increase was recorded in unique indirect taxpayers. (Source: KPMG)

## Global pigment market overview

The global pigment market was valued at ~US\$ 25.4 billion in 2017 with the organic segment being worth ~US\$ 3.9 billion and the inorganic segment, ~US\$18.9 billion. The organic pigment segment is expected to grow rapidly as it is preferred by manufacturers and health and safety-conscious consumers alike. The market is being driven by a growing demand from a range of end-user industries like coatings, plastics and inks, among others. One of the emerging drivers of growth has been the mounting demand for paints and coatings in the automotive industry in Europe and the Asia Pacific. The increase in demand for high-quality and eco-friendly pigments has catalysed the offtake of high-performance dyes and organic pigments. However, fluctuating raw material prices acts as a roadblock for the industry while stiffening environmental regulations have had an adverse impact on inorganic and environmentally-harmful products. The printing inks industry is expected to be the largest consumer of organic pigments, clocking sales worth US\$4.4 billion during the fiscal gone by.

(Source: PR Newswire)

### Outlook

The global pigment market is expected to generate revenues worth ~US\$ 27.56 billion by end-2023, growing at a CAGR of ~4.1%. The organic pigment market is projected to reach US\$ 4.67 billion by 2023, growing at a CAGR of 4.8%. China is pegged to be the single-biggest consumer of pigments by 2023, followed by India. Certain Middle Eastern, African and Latin American countries are predicted to emerge as key potential markets for pigments in the coming years.

Azo remained the largest organic pigment, worth ~US\$3.9 billion in 2017, expected to grow at a CAGR of 4.7% till 2023. Globally, the consumption of high-performance pigments is

expected to grow by 4% in terms of both volume and value over the next five years. However, rising crude oil and raw material prices pose significant challenges. Nevertheless, in the long-term prospects of the high-performance pigment niche remain bright, especially in the coating, plastics, non-impact printing and electronics industries. Much of this growth hinges on the increase in demand for cleaner, brighter colours offering longer resistance. (Source: PR Newswire)

### Key downstream sectors

- Automotive paints and coatings: In the automotive sector, paints and coatings are used in interior as well as exterior parts of the vehicle. Inorganic pigments such as titanium dioxide-based pigments are used in the automotive industry to provide a glossy look to vehicles. The automotive manufacturing industry has been growing rapidly China, India, France, Spain, Indonesia and Italy. Rising foreign investments and expansion of existing manufacturing facilities are quite prevalent in these countries to meet the demand from the domestic as well as the export markets. These demand trends are expected to boost to pigment offtake in the coming years.

- Construction: Global construction output is forecast to rise to US\$12.4 trillion in 2022, from US\$10.4 trillion in 2017. The European construction industry has bounced back with output increasing by >9% during the past four years. Rising housing demand in the US and Canada has augmented the use of paints and coatings in the region.

- Textiles: The global textiles industry grew at a steady pace catalysed by growing apparel demand across emerging economies like Brazil, China, India and Vietnam. Increasing trade activities through free-trade agreements along with a rising demand for synthetic textiles have brightened

the prospects of major sectoral players. The cost-effective and environment-friendly nature of pigments make them a viable option for multifarious applications across the textile value chain. The textile chemicals market was valued at US\$ 21.80 billion in 2016, and is expected to reach US\$ 30.23 billion by 2025, expanding at a CAGR of 3.7%. The production and demand of textile products is growing at rate of >3% per annum on the back of a growing population base.

- Paints and coatings: By end-2023, paints and coatings are foreseen to remain as leaders within the pigment segment, carving out a 51% share. Pigments play a key role as colourants in the formulation of paints and coatings. Besides providing colour, pigments improve the opacity and glossiness of paints and coatings. As of 2017, the global pigments market for paints and coatings was worth ~US\$12.4 billion with a volume demand of ~4,310 kilotonnes.

## Indian pigments industry overview

Traditionally, India has dominated green and blue pigment niches. Growing urbanisation, reduction of waste and usage of innovative technologies are supporting the upward growth of the pigment industry. Sales increased at a CAGR of ~14% during the past five years to reach ~US\$ 0.87 billion, driven by a steady growth in domestic consumption of coatings, printing inks, consumer goods and master batches. The organic segment grew the fastest on the back of booming domestic and export demand. The principal end-users of pigments in India include the printing ink, plastic, rubber and paint industries. (Source: Chemical Industry Digest)

### Outlook

India is expected to emerge as the second-largest market in terms of demand for organic pigments. Organic pigments are more eco-friendly

compared to inorganic variants (lead, chromium and cadmium-based) and provide a wider range of bright colours that enjoy assured demand from the printing ink, plastics, rubber and paints industries. Indian manufacturers are expanding capacities by leveraging the inherent cost advantage they enjoy with a keen emphasis on high-performance and specialised pigments. High-performance and special effect pigments, such as metallic and pearlescent, are used as automotive coatings and are currently a nascent market in India. Manufacturers are focusing on reducing wastage by offering qualitatively consistent products to customers. Consequently, sales are likely to grow at a CAGR of 12-13% over the medium-term. (Source: Chemical Industry Digest)

### Opportunities

Special effect pigments are used extensively for decorative and functional purposes across paints, plastics, printing ink and cosmetics industries. With their distinctive optical

impressions such as angle-dependent interference colours, pearlescence and multiple reflections, among others, they are considered indispensable in a number of applications. Organic pigments are experiencing encouraging growth, resulting from a growing adoption of high-performance pigments and the increasing awareness regarding the ill-effects of heavy metal-based inorganic pigments containing lead, chromium and cadmium. Growing costs of maintaining compliance with environmental regulations in China has dented the country's competitiveness, providing organised Indian players with lucrative growth opportunities. (Source: Chemical Industry Digest, Chemarc)

### Threats

Stiffening environmental regulations and the entrance of new players have pressurised prices especially for inorganic pigments, the slowest-growing segment during the past five years. The continued phasing-out of toxic heavy metal-containing inorganic pigments coupled with the

growing popularity of vivid colours with special effects have dealt a serious blow to environmentally-harmful inorganic pigments. Most paint and plastic manufactures have replaced lead, chromium and cadmium-based pigments with opaque organic variants.

The burgeoning cost of ensuring compliance with regulatory norms has been a major deterrent for fledgling players. The compliance procedures are rigorous and time-consuming especially for MNCs looking to obtain export approvals. In such a backdrop, players need to have plants and depots close to clients in order to maintain low inventory levels. Manufacturing pigments involves a certain degree of customisation in terms of shade, strength and lustre, among others. Moreover, the manufacturer needs to provide technical services as well, entailing in-depth knowhow of sectoral dynamics. (Source: Chemical Industry Digest)

## 5

### reasons we are optimistic of long-term growth



The Company's working capital lines were restored during the last financial year, making it possible to access short-term loans to grow the business.



The Company possesses considerably under-utilised capacity, which will be progressively plugged following debottlenecking during the current financial year.



The Company possesses a low break-even point even at low capacity utilization.



The Company's receivables cycles of 55 days of turnover equivalent is around half the industry average.



The commission of additional downstream capacities can potentially translate into peak revenues of ₹700 crore at higher margins across the foreseeable future.

Risk management				
				
<b>Industry risk:</b> A fall in demand in downstream sectors could impact offtake  <b>Mitigation:</b> The organic pigment segment is expected to grow rapidly as it is preferred by manufacturers and health and safety-conscious consumers alike. The market is being driven by a growing demand from a range of end-user industries like coatings, plastics and inks, among others.	<b>Technology risk:</b> Technological obsolescence could adversely affect profitability  <b>Mitigation:</b> The Company's state-of-the-art manufacturing capabilities and cutting-edge technologies result in the timely delivery of quality products leading to enduring ties with key stakeholders.	<b>Economic risk:</b> Slowdown in the economy may impact the industry  <b>Mitigation:</b> The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and a growth in the services sector are expected to continue supporting economic activity.	<b>Competition risk:</b> An increasing number of players could intensify competition and impact market share.  <b>Mitigation:</b> The burgeoning cost of ensuring compliance with regulatory norms has been a major deterrent for fledgling players, providing organised players with lucrative growth opportunities.	<b>Financing risk:</b> Inability to access long-term funding at competitive rates can be detrimental  <b>Mitigation:</b> The Company reported a net worth of ₹118.78 crore in 2017-18, indicating the robustness of its Balance Sheet.

## Financial review

- Sales and other income:** Revenues during the year stood at ₹180 crore, increasing by 3.19 % y-o-y.
- Profit before tax:** Profit before tax during the year stood at ₹38.41 crore, increasing by 51.42 % y-o-y.
- Profit after tax:** Profit after tax during the year stood at ₹30.55 crore, increasing by 52.13 % y-o-y.

## Key ratios

Particulars	FY 2017-18	FY 2016-17
EBITDA/Turnover	0.22	0.15
EBITDA/Net interest	909.50	107.25
Debt-equity ratio	0.30	0.44
Return on equity (%)	316.03	207.73
Book value per share (₹)	1	1
Earnings per share (₹)	3.16	2.08



### Human resources

The organisation believes that its competitive advantage lies within its people. The Company's people bring to the stage a multi-sectoral experience, technological experience and domain knowledge. Kesar Petroproducts Limited's culture is rooted in its ability to break through age-old norms of the sector and enhance competitiveness. The Company always takes decisions which are in close alignment with the professional and personal goals of employees, enhancing a work-life balance and sense of pride regarding their association.



### Industrial relations

Industrial relations during FY 2017-18 remained cordial. The Company's Directors wish to express their appreciation for the services rendered by the employees of the Company during the fiscal gone by.



### Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.



### Cautionary statement

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.

# Corporate Information

## Board of directors

Mr. Mohit P. Kaushik	<i>Executive Director &amp; CEO</i>
Mr. Nazirsaeb M. Sayyad	<i>Independent Director</i>
Mr. K. D. Fatnani	<i>Independent Director (w.e.f 30th May, 2017)</i>
Mrs. Snehlata D. Sharma	<i>Non-Executive Director</i>
Mr. Sunil A. Sawant	<i>Independent Director (till 22nd May, 2017)</i>

## Chief Financial Officer

Ms. Manali M. More

## Compliance Officer and Company Secretary

Mr. P.M. Nair (w.e.f. 24th May 2016)

## Statutory Auditors

A Sachdev & Co.  
Chartered Accountants

## Bankers

Union Bank of India

## Registered Office & Factory

D-7/1, MIDC, Lote Parshuram,  
Taluka Khed, District - Ratnagiri -  
415722, Maharashtra.

## Registrar & Transfer Agents

Link Intime India Private Limited  
C-101, 247 Park, L.B.S Marg,  
Vikroli (West), Mumbai 400083  
Tel: +91 22 49186000  
Fax: +91 22 49186060

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## Statutory Section

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# NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of Kesar Petroproducts Limited will be held on Friday 28th September, 2018 at 11.00 A.M. at the Registered Office of the Company at D-7/1, M.I.D.C., Lote Parshuram, Taluka – Khed, District – Ratnagiri – 415722 to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the reports of the Board and Auditors' thereon.
2. To appoint a Director in place of Mrs. Snehlata D. Sharma (DIN: 01854393), who retires by rotation and being eligible, offers herself for re-appointment.

## SPECIAL BUSINESS

- i) To consider and if thought fit, to pass, with or without modification(s) as may be permissible, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** consent of the Company be and is hereby accorded, pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) for giving any loan to any person or other body(ies) corporate or any guarantee or providing security in connection with a loan to any other body corporate or person and for acquiring, by way of subscription, purchase or otherwise, the securities of any other body(ies) corporate as the Board of Directors of the Company may think fit and in the interest of the company and that the aggregate amount of loan(s) and guarantee(s)

so far given, or securities so far provided to or shares or other securities so far acquired in all bodies corporate together with the loan(s), guarantee(s) or security(ies) or investment(s) in securities proposed to be given or provided or made or acquired shall not exceed Rs. 100 Crores (Rupees Hundred Crores Only), over and above the limits prescribed under Section 186(2) of the Companies Act, 2013.

**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, settle any question, difficulty or doubt that may arise in this regard and give such directions, as it may, in its absolute discretion, deem expedient, desirable and necessary including delegating, all or any of the powers herein conferred, to any Committee of Directors or Officer(s) of the Company, to give effect to this Resolution."

By Order of the Board of Directors

For Kesar Petroproducts Limited  
Mohit P. Kaushik

Place: Mumbai  
Date: 14th August, 2018

Executive Director & CEO  
DIN: 06463483

## NOTES:

- 1) (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
  
(b) A person appointed as proxy shall act as a proxy on behalf of such member or number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 2) The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 3) Every member entitled to vote at a meeting of the Company or on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the 28th Annual General Meeting and ending with the conclusion of the said Annual General Meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days of notice in writing of the intention so to inspect is given to the Company.
- 3) A Statement pursuant to Section 102 of the Companies Act, 2013 in relation to the special business of the meeting is annexed as Annexure I to the Notice.

- 4) Mrs. Snehlata D. Sharma, retires by rotation and being eligible offers herself for re-appointment. The details pertaining to aforesaid directors as required under Clause 1.2.5 of Secretarial Standards on General Meeting and Regulation 26(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished in Annexure II to the Notice.
- 5) The route map and prominent landmark of the venue of the 28th Annual General Meeting as required under Clause 1.2.4 of the Secretarial Standards on the General Meeting is annexed herewith as Annexure III to the Notice.
- 6) The members or proxies are requested to bring with them the Annual Report, as extra copy of the same will not be supplied at the meeting as per usual practice.
- 7) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 8) Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting (including through e-voting)
- 9) Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the answers can be made available at the Meeting.
- 10) As per provisions of Section 72 of the Companies Act 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in single name and physical form are advised to make nomination in the prescribed form SH-13 with RTA and in respect of shares held in demat form, the nomination form may be filled with respective DP.
- 11) The Shareholders are requested to notify changes, if any, in their address to their depository participants in respect of their holding in electronic form and to the Registrars and Transfer Agents of the Company, M/s. Link Intime India Private Limited having office at C-101, 247 Park, L.B.S Marg, Vikroli (West), Mumbai 400083; Tel No. +91 22 49186000; Fax: +91 22 49186060, Email: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.co.in in respect of their holding in physical form.
- 12) The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 22nd September, 2018 to Friday 28th September, 2018 (both days inclusive).
- 13) Members who hold shares in dematerialized form are requested to bring their client ID and DPID for easier identification of attendance at the meeting.
- 14) The Shareholders whose dividend remained unclaimed for the financial year 31st March, 2015 are requested to claim it immediately from Company.
- 15) In view of various advantages, the members are requested to avail the facility of dematerialization of the Company's shares.
- 16) The members of the Company holding their shares in physical form or in dematerialized form, who have not registered their e-mail IDs and Mobile number with the Company or Depository Participant, to receive documents like Notice, Annual Reports and alike correspondence through electronic mode are requested to send their e-mail IDs and Mobile number either to the Company's id: info@kesarpetroproducts.com or Registrars and Transfer Agents email rnt.helpdesk@linkintime.co.in or to Depository Participant.
- 17) Annual Report 2017-18 are being sent by electronic mode, only to those members who have registered their email addresses with the Company/ Depository Participant, unless any member has requested for a physical copy of the same. Annual Report 2017-18 are being sent by physical mode to those members who have not registered their email addresses with the Company/ Depository Participant. Members may please note that the Annual Report 2017-18 is available on the website of the Company viz. [www.kesarpetroproducts.com](http://www.kesarpetroproducts.com).
- 18) The members are requested to handover the enclosed attendance slip duly signed as per their specimen signature(s) registered with the Company for admission to the meeting hall.
- 19) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar and Share Transfer Agents, M/s. Bigshare Services Private Limited.
- 20) EVOTING:
- Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to announce that the Company is providing facility to the members to cast their votes on all the business mentioned in the Notice through electronic means. It may please be noted that the e-voting is optional.

- II) For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the shareholders of the Company to cast their votes electronically.
- III) The Board of Directors of the Company has appointed M/s. Mahesh Kandoi & Associates, Practicing Company Secretary, Mumbai, as scrutinizer to conduct and scrutinize the remote e-voting and voting at the 28th Annual General Meeting in a fair and transparent manner.
- IV) Process and manner of voting:
  - (a) In case of Shareholders receiving e-mail from NSDL:
    - i. Open e-mail and open PDF file viz; "KESAR e-Voting. Pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
    - ii. In case any shareholder is already registered with NSDL for e-voting, then that shareholder can use the existing user ID and password for casting of vote and step no. (i) and (vi) be skipped.
    - iii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
    - iv. Click on Shareholder – Login.
    - v. Put user ID and password as mentioned in step (i) or (ii) above, as may be applicable. Click Login.
    - vi. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - vii. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
    - viii. Select "EVEN" (E-Voting Event Number) of Kesar Pertoproducts Limited.
    - ix. Now you are ready for e-Voting as Cast Vote page opens.

- x. Cast your vote by selecting appropriate option and click on "submit" and also "confirm" when prompted.
  - xi. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - xii. Once you have voted on the resolution, you will not be allowed to modify your vote.
- Institutional shareholders (i.e members other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPEG FORMAT) of the relevant Board/Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through email [info@kesarpetroproducts.com](mailto:info@kesarpetroproducts.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- (b) In case of Shareholders receiving PIN mailer by Post:
    - i. Initial password will be provided through a separate PIN Mailer.
    - ii. Please follow steps (ii) to (xii) above, to cast vote.
    - iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - V) In case of query, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the download sections of <http://www.evoting.nsdl.com> or contact NSDL at the following Telephone No: 1800-222-990.
- NOTE: Shareholders who forgot the User Details/ Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).
- In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).
- VI) The remote e-voting period commences on Tuesday, 25th September, 2018 (9:00 AM) and closes on Thursday 27th September, 2018 (5:00 P M). At the end of the remote e-voting period, the portal where votes are cast shall forthwith be blocked.
  - VII) The Cut off date: 21st September, 2018.
- Persons who have became members of the Company after the date of dispatch of notice by the Company, may

apply to NSDL for receiving their User ID and Password required for remote e-voting.

Persons whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.

- VIII) M/s. Mahesh Kandoi & Associates, Practicing Company Secretary, Mumbai, the scrutinizer will unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favor or against, if any and submit the same to Mr. Mohit Kaushik, Executive Director of the Company on or before 1st October, 2018.
- IX) The results along with the scrutinizer's report shall be placed on the website of the Company immediately after the same is declared.
- X) Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of 28th Annual General Meeting.
- XI) Remote e-voting facility shall not be available beyond 27th September, 2018 (5:00 PM).
- XII) Company shall provide voting facility at the meeting by way of Polling Paper.

The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The members who have already exercised their vote by way of remote e-voting shall be entitled to participate in the meeting but shall not be allowed to vote.

XIII) Names of the members appearing in the Register of Members as on 21st September, 2018 shall only be entitled to vote.

XIV) Members are requested to address the grievance connected with facility for voting by electronic means to the Compliance officer of the Company. Email ID: info@kesarpetroproducts.com; Tel No: +91-2356-272471.

XV) Public Notice under Rule 20(4)(V) of the Companies (Management and Administration) Rules, 2014 will be placed on the website of the Company.

XVI) Members holding shares, both physical and demat, are entitled to vote through remote e-voting.

For Kesar Petroproducts Limited  
Mohit P. Kaushik

Place: Mumbai  
Date: 14th August, 2018

Executive Director& CEO  
DIN: 06463483

## ANNEXURE I TO THE NOTICE

### STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 3

The Board of Directors consider it appropriate and in the interest of the company to make, in the course of business and at appropriate time, loan to any person or other body corporate or give guarantee or to provide security in connection with a loan to any other body corporate or person or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate notwithstanding the fact that the aggregate of loans and investments so far made, the amount for which guarantees or securities so far provided to or in all bodies corporate together with the investment(s), loan(s), guarantee(s) or security(ies) proposed to be made or given may exceed sixty per cent of the paid-up share capital, free reserves and securities premium account of the Company

or one hundred per cent of its free reserves and securities premium account of the Company, whichever is more.

The resolution under section 186 of the Companies Act, 2013 mentioned at Sr. No. 3 of the accompanying Notice is an enabling resolution and is proposed as a Special Resolution for your consideration. The Board recommends the resolution.

All the directors of the company and their relatives may be considered as concerned or interested in the resolution to the extent of any loan, investment, guarantee or security which may be made or provided by the company to any body(ies) corporate in which any director of the company and their relatives is or will be interested. There is no concern or interest, financial or otherwise of any key managerial personnel of the Company or their relatives in respect of the said resolution.

## ANNEXURE II TO THE NOTICE

Details of the directors proposed to be appointed / re-appointed as per point 1.2.5 of Secretarial Standards on General Meeting and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name	Mrs. Snehlata D. Sharma
Age	58 Years
Qualifications	M A
Experience	She has extensive experience of 31 years in the field of marketing and commercial activities
Terms and conditions of appointment including details of remuneration	Mrs. Snehalata D. Sharma will hold the office of Non-Executive Director. She will be liable to retire by rotation. Other terms and conditions are mentioned in the letter for appointment which is available for inspection by members on all working days except holidays from 11.00 a.m to 5.00 p.m till 27th September, 2018 at the registered office of the company.
Last drawn remuneration	NIL
Date of first appointment by the Board of Directors of the Company	30th May, 2015
Shareholding in the Company	NIL
Relationship with other directors and Key Managerial of the Company	None
Number of meetings attended during the financial year 2017-18	4
Other directorship, membership / chairmanship of committees of other board	Director in : NIL * Membership / Chairmanship in committees: Chairman - NIL Membership - NIL
Justification for appointment of Director	The Company will benefit from her qualification, expertise and experience

\* For the purpose of disclosure of Membership / Chairmanship only Audit Committee and Stakeholder Relationship Committee of other companies are considered

By Order of the Board of Directors

For Kesar Petroproducts Limited

Mohit P. Kaushik

Executive Director & CEO

DIN: 06463483

Place: Mumbai

Date: 14th August, 2018

### ANNEXURE III TO THE NOTICE

#### ROUTE MAP AND PROMINENT LANDMARK OF THE VENUE OF THE ANNUAL GENERAL MEETING



# BOARDS' REPORT

To,  
The Members

Your Directors presents the 28th Annual Report together with the Audited Financial Statements for the year ended 31st March, 2018.

## FINANCIAL RESULTS:

The Company's financial performance for the year ended 31st March, 2018 is summarized below:

Particulars	(₹ in Lakhs)	
	2017-18	2016-17
Total Turnover & Other Income	18000.00	17443.01
Less : Manufacturing and Other Expenses	13977.36	14715.33
Profit / (Loss) before interest and Depreciation	4022.64	2727.68
Less : Interest	4.42	61.34
Profit / (Loss) after Interest	4018.22	2666.34
Less : Depreciation and Misc. Expenses written off	177.27	129.71
Net Profit / (Loss) Before Tax	3840.95	2536.63
Less: Provision for Tax (including Deferred Tax)	785.74	528.39
Profit/(Loss) after tax	3055.21	2008.24
Balance Profit/(Loss) brought forward from Previous Year	3843.70	1835.46
Balance profit / (Loss) carried to balance Sheet	6898.91	3843.70

## REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

The total net profit before tax of the Company has increased from Rs. 2536.63 Lakhs to Rs. 3840.95 Lakhs in 2018. The Net profit after tax has increased from Rs. 2008.24 Lakhs to Rs. 3055.21 Lakhs in 2018.

During the year the Company started producing value added pigments Beta Blue. The coming years will see enhanced production in this field. This single activity has added to the bottom line of the Company.

Apart from this, the capacity constraint in the Alpha Blue was also attended to by de-bottlenecking. The gradual shift from CPC crude manufacturing to more value added pigments will be the strategy going forward.

The Dye intermediate factory also has started and this year the production in naphthalene based dye intermediates will further add to the top and bottom line.

One major achievement of the Company was going into zero liquid discharge in the Dye Intermediates Plant. The same concept is being followed for the pigments which is likely to commence functioning in the last quarter of the current year.

## DIVIDEND:

In view to conserve the resource of the Company, your Directors do not recommend any dividend for the year ended 31st March, 2018.

## RESERVES:

The Company does not transfer any amount to General Reserve.

## CHANGE IN NATURE OF BUSINESS:

The Company is engaged in the business manufacturing Phthalocyanine range of pigments and Dye Intermediates. There was no change in the nature of business activities of the Company during the year under review.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

#### **SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have subsidiary, joint venture and associate company.

#### **DEPOSITS:**

During the year under review, the Company has not accepted or renewed any deposits within the meaning of Section 73 and 76 of the Companies Act 2013 read with the Companies (Acceptance deposits Rules), 2014. There was no deposit which remained unclaimed and unpaid at the end of the year.

#### **EXTRACT OF ANNUAL RETURN:**

An extract of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is attached herewith and marked as 'Annexure I'.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. K. D. Fatnani was appointed as an Additional Director by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 to hold the office of Non Executive Independent Director of the Company from 30th May, 2017 till the date of 27th Annual General Meeting. He was appointed as a Non-Executive Independent Director at 27th Annual General Meeting.

As per Section 152(6) of the Companies Act, 2013 Mrs. Snehalata D. Sharma retires by rotation and being eligible offers herself for re-appointment as the Director of the Company.

Mr. Sunil Sawant ceased to be Director of the Company w.e.f. 22nd May, 2017. The Board of Directors place on record its appreciation for his association with the Company and for his valuable service.

Other than stated above there was no change in the Directors and Key Managerial Personnels of the Company.

#### **COMPOSITION OF BOARD AND STATUTORY COMMITTEES FORMED THEREOF:**

The Composition of the Board and Statutory Committees

thereof along with other details are given in the Corporate Governance Report.

#### **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:**

The Board met 4 (Four) times during the year. The details of the meetings are given in the Corporate Governance Report. The intervening gap between the two meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **DECLARATION OF INDEPENDENT DIRECTORS:**

The Independent Directors of the Company have given the requisite declaration pursuant to Section 149(7) of the Companies Act, 2013 to the effect that they meet criteria of independence as provided in Section 149(6) of the Act.

#### **FORMAL ANNUAL EVALUATION:**

Pursuant to the provisions of Sec 134(3) of Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 and Regulation 4 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The Board, on the recommendation of the Nomination and Remuneration Committee of the Company, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Salient features of the Remuneration Policy are:

The Remuneration Policy of the Company is divided into the following headings and the entire policy is available on the website of the Company [www.kesarpetroproducts.com](http://www.kesarpetroproducts.com);

1. Preface
2. Commencement
3. Definitions
4. Purpose
5. Principles of Remuneration
6. Nomination and Remuneration Committee
7. Selection and appointment of the Board Members
8. Process for evaluation
9. Publication

**DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby confirms that:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 as at 31st March 2018 and of the profit of the company for period ended on that date;
- (c) the directors have 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;

**(A) Loans provided:**

				(₹ in Lakhs)
Opening Balance	Amount of Loans Given During The Year	Amount Of Repayment	Closing Balance	
22,72,83,233	1,00,000	1,11,58,741	21,62,24,492	

**(B) Guarantees:**

No Guarantees were given during the year under review.

**(C) Investments made:**

					(₹ in Lakhs)
Nature of Investments	Opening Balance	Amount Invested during the year	Amount Redeemed	Closing Balance	
Union Capital Protection Oriented Fund	0	1,25,00,000	-	1,25,47,389	
Union Balanced Advantage Fund	0	2,00,00,000	-	1,97,00,000	
Money Market Fund Growth	1,00,00,000	0	-	1,06,74,360	
Union Liquid Fund Growth	0	1,00,00,000	-	1,13,75,505	
<b>Total</b>	<b>1,00,00,000</b>	<b>4,25,00,000</b>	<b>-</b>	<b>5,42,97,254</b>	

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES PURSUANT TO SECTION 188(1) OF THE COMPANIES ACT, 2013:**

There were no contracts or arrangements or transactions with any related parties which could be considered material in accordance with the policy of the Company during the year under review. Hence, the Company is not required to disclose details of the related party transactions in Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

**PARTICULARS OF EMPLOYEES:**

There was no employee who was employed throughout the year or part thereof and in receipt of remuneration aggregating to Rs. 1,02,00,000/- p.a. or more or who was employed for part of the year and in receipt of remuneration aggregating to Rs. 8,50,000/- p.m. or more.

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

Following are the particulars of loans, guarantees and investments under Section 186 of the Companies, Act, 2013 of the Company:

**PARTICULARS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

The details related to employees and their remuneration as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned in Annexure 'III' to this Board's Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**(A) Conservation of energy-**

(i)	the steps taken or impact on conservation of energy;	NIL
(ii)	the steps taken by the company for utilizing alternate sources of energy;	Exploring the possibility of power generation through sulphuric acid.
(iii)	the capital investment on energy conservation equipment.	NIL

**(B) Technology absorption-**

(i)	the efforts made towards technology absorption;	NIL
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	NIL
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL
(iv)	the expenditure incurred on Research and Development.	NIL

**(C) Foreign exchange earnings and outgo-**

The Foreign Exchange earned in terms of actual inflows during the year;	₹147.58 Lakhws
The Foreign Exchange outgo during the year in terms of actual outflows.	₹889.24 Lakhs

**SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS:**

There was no significant material order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on company's operations in future.

**INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has in place proper and adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The Company monitors and evaluates the efficacy and adequacy of internal control system, its compliance with operating systems, accounting procedures and policies.

**VIGIL MECHANISM POLICY:**

The Company has a Vigil Mechanism policy to deal with instance of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. The details of the Vigil

Mechanism Policy is explained in the Corporate Governance Report and also posted on the website of the Company. We affirm that during the financial year 2017-18, no employee or director was denied access to the Audit Committee.

**STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:**

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

**CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION ANALYSIS REPORT:**

Pursuant to Regulation 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the following have been made a part of the Annual Report and are attached to this report:

- Management Discussion and Analysis Report - 'Annexure -IV'
- Corporate Governance Report - 'Annexure V'
- Declaration by Executive Director/CEO affirming with the compliance of the code of conduct of Board of Directors and Senior Management -'Annexure VI'
- Auditors' Certificate regarding compliance of conditions of Corporate Governance -'Annexure VII'

#### **STATUTORY AUDITORS:**

M/s. A. Sachdev Co., Chartered Accounts, Mumbai were appointed as the statutory auditors of the Company at the previous annual general meeting of the Company, for a period of five years commencing from financial year 2017-18.

The first proviso to Section 139(1) of the Companies Act, 2013 wherein the company was required to place the matter relating to ratification of appointment of Statutory Auditors, done under Section 139(1) of the Companies Act, 2013, by members at every annual general meeting is omitted w.e.f 7th May, 2018 vide the Companies (Amendment) Act, 2017. Hence, no resolution for ratification of appointment of M/s. A. Sachdev & Co., the statutory auditors of the Company is required.

#### **INTERNAL AUDITORS:**

The Company has appointed M/s. K. P. Kapadia & Co., Chartered Accountants, Mumbai as Internal Auditors. The Internal Auditors monitor and evaluate the efficiency and adequacy of internal control systems in the Company, its compliances with operating systems, accounting procedures and policies at all locations of the Company and reports the same on quarterly basis to the Audit Committee.

#### **SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Mahesh Kandoi & Associates, Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is attached herewith and marked as 'Annexure VII'.

**Mohit P. Kaushik**  
Executive Director& CEO  
DIN: 06463483

Place: Mumbai  
Date: 14th August, 2018

#### **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There were no qualifications, reservations, adverse remarks made or fraud reported by the Statutory Auditors in their reports.

With respect to observation made by Secretarial Auditor in his report, we would like to state that:

- a) The Form IEPF-2 could not be uploaded within the prescribed time due to inadvertence.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

Pursuant to Section 135 of the Companies Act, 2014 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has formed Corporate Social Responsibility Committee and a Policy on Corporate Social Responsibility (CSR).

The Company could not spend the required amount on CSR activities as per the CSR policy of the Company because the Company could not identify proper project to make expenditure towards its CSR obligations. The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year is set out in 'Annexure II' of this report in the format prescribed in the Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

#### **INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

Internal Complaint Committee was formed under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint was received by the Committee.

#### **ACKNOWLEDGEMENTS:**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the support and confidence reposed by the shareholders of the Company.

By Order of the Board of Directors  
For Kesar Petroproducts Limited

**Mrs. Snehlata D. Sharma**  
Director  
DIN: 01854393

## ANNEXURE 'I' TO THE BOARD'S REPORT

Form No. MGT 9

### EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018 OF KESAR PETROPRODUCTS LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L23209PN1990PLC054829
(ii)	Registration Date [DDMMYY]	01.01.1990
(iii)	Name of the Company	Kesar Petroproducts Limited
(iv)	Category / Sub-Category of the Company	Public Limited Company
(v)	Address of the Registered office and contact details	Registered office: D 7/1, M.I.D.C., Lote Parshuram, Taluka Khed Ratnagiri 415722. Email: info@kesarpetroproducts.com Tel: +91-02356 272339; Fax: +91-02356 272571
vi)	Whether listed company	Yes / No
vii)	Name, Address and contact details of Registrar & Transfer Agents, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S Marg, Vikroli (West), Mumbai 400083. Tel: +91 22 49186000 Fax: +91 22 49186060

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of dyes and pigments from any source in basic form or as concentrate	20114	100.00%

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

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	-	-	-	-	-

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	30000010	0	30000010	31.0324	61725813	0	61725813	63.8500	32.8176*
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):-</b>									
(2) Foreign									
a) NRIs -	-	-	-	-	-	-	-	-	-
b) Other –	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>30000010</b>	<b>0</b>	<b>30000010</b>	<b>31.0324</b>	<b>61725813</b>	<b>0</b>	<b>61725813</b>	<b>63.8500</b>	<b>32.8176*</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	5380	-	5380	0.0056	5380	-	5380	0.0056	-
b) Banks / FI	1800	1400	3200	0.0033	1010	1400	2410	0.0025	-0.0008
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investor	-	-	-	-	693503	0	693503	0.7174	0.7174
Foreign Mutual Fund	0	2270	2270	0.0023	0	2270	2270	0.0023	0.0000
<b>Sub-total (B)(1):-</b>	<b>7180</b>	<b>3670</b>	<b>10850</b>	<b>0.0112</b>	<b>699893</b>	<b>3670</b>	<b>703563</b>	<b>0.7278</b>	<b>0.7166</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2023149	20140	2043289	2.1136	2631322	18130	2649452	2.7406	0.6270
ii) Overseas					-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1486744	379210	1865954	1.9302	15479875	376550	15856425	16.4021	14.4719
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	54336176	5000000	59336176	61.3781	3225216	5000000	8225216	8.5083	-52.8698

c) Others (specify)									
Trust	0	0	0	0.0000	5000	0	5000	0.0052	0.0052
Foreign Nationals	14	0	14	0.0000	14	0	14	0.0000	0.0000
Hindu Undivided Family	2768408	0	2768408	2.8637	4046695	0	4046695	4.1860	1.3223
Non Resident Indians (Non Repat)	68317	0	68317	0.0707	173200	0	173200	0.1792	0.1085
Non Resident Indians (Repat)	365434	100000	465434	0.4815	936582	100000	1036582	1.0723	0.5908
Clearing Members	114718	0	114718	0.1187	2251210	0	2251210	2.3287	2.2100
Sub-total (B)(2):-	61162960	5499350	66662310	68.9564	28749114	5494680	34243794	35.4222	(33.5342)
Total Public Shareholding (B)=(B)(1)+(B)(2)	61170140	5503020	66673160	68.9676	29449007	5498350	34947357	36.1500	(32.8176)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	91170150	5503020	96673170	100.0000	91174820	5498350	96673170	100.0000	-

\* Note: Consequent upon SEBI order dated 5th September, 2017 shareholdings of Mr. Shreyas Sharma (14225803 equity shares) and Ms. Shruti Sharma (17500000 equity shares) are shown in promoter category.

#### ii) Shareholding of Promoter-

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M/s. Dinesh Shankarlal Sharma HUF	30,00,000	31.0324	0	30,00,000	31.0324	0	-
2	Mr. Shankarlal Sharma	10	0	0	10	0.00	0	-
3	Mr. Shreyas Sharma*	0	0	0	14225803	14.7154	0	-
4	Ms. Shruti Sharma*	0	0	0	17500000	18.1022	0	-

\* Note: Consequent upon SEBI order dated 5th September, 2017 shareholdings of Mr. Shreyas Sharma (14225803 equity shares) and Ms. Shruti Sharma (17500000 equity shares) are shown in promoter category.

#### iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	At the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)				
	Except as stated above there is no change in Promoters' Shareholding				
	At the end of the year				

Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1)	RAJKUMAR				
	At the beginning of the year	5000000	5.1721	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year (or on the date of separation, if separated during the year)	-	-	5000000	5.1721
2)	SANALKUMAR MENON				
	At the beginning of the year	1333350	1.3792	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year (or on the date of separation, if separated during the year)				
3)	NARAYANAN KUTTY KIZHEPATA				
	At the beginning of the year	1333330	1.3792		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year (or on the date of separation, if separated during the year)				
4)	SANAL KUMAR MENON				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	1333330	1.3792
	At the end of the year (or on the date of separation, if separated during the year)				
5)	NARAYANAN KUTTY KIZHEPATA				
	At the beginning of the year	1333330	1.3792	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	i) Sale of (288908) Equity Shares (16/03/2018)			i) 1044422	i) 1.0804
	ii) Sale of (279333) Equity Shares (23/03/2018)			ii) 765089	ii) 0.7914
	At the end of the year (or on the date of separation, if separated during the year)				

6)	DAVOS INTERNATIONAL FUND			
	At the beginning of the year			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		i) 60000	i) 0.0621
	i) Purchase of 60000 Equity Shares (25/08/2017)			ii) 0.6672
	ii) Purchase of 585000 Equity Shares (01/09/2017)		ii) 645000	iii) 0.6243
	iii) Sale of (41497) Equity Shares (02/03/2018)		iii) 603503	
	iv) Sale of (10000) Equity Shares (09/03/2018)		iv) 593503	iv) 0.6139
	At the end of the year (or on the date of separation, if separated during the year)			
7)	GLOBALWORTH SECURITIES LTD.			
	At the beginning of the year			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			
	i) Purchase of 125000 Equity Shares(13/01/2017)		i) 125000	i) 0.1293
	ii) Purchase of 1000 Equity Shares (20/10/2017)		ii) 126000	ii) 0.1303
	iii) Sale of (1000) Equity Shares (27/10/2017)		iii) 125000	iii) 0.1293
	iv) Purchase of 225000 Equity Shares (10/11/2017)		iv) 350000	iv) 0.3620
	v) Purchase of 5000Equity Shares (24/11/2017)		v) 355000	v) 0.3672
	vi) Sale of (5000) Equity Shares (08/12/2017)		vi) 350000	vi) 0.3620
	vii) Sale of (50000) Equity Shares (15/12/2017)		vii) 300000	vii) 0.3103
	viii) Purchase of 6500 Equity Shares (19/01/2018)		viii) 306500	viii) 0.3170
	ix) Purchase of 2500 Equity Shares (26/01/2018)		ix) 309000	ix) 0.3196
	x) Purchase of 1000 Equity Shares (02/02/2018)		x) 310000	x) 0.3207
	xi) Purchase of 26000 Equity Shares (09/02/2018)		xi) 336000	xi) 0.3476
	xii) Sale (21000) Equity Shares (16/02/2018)		xii) 315000	xii) 0.3258
	xiii) Purchase of 98000 Equity Shares (23/02/2018)		xiii) 413000	xiii) 0.4272
	xiv) Sale of (38000) Equity Shares (02/03/2018)		xiv) 375000	xiv) 0.3879
	xv) Purchase of 41000 Equity Shares (09/03/2018)		xv) 416000	xv) 0.4303
	xvi) Purchase of 2000 Equity Shares (23/03/2018)		xvi) 418000	xvi) 0.4324
	xvii) Purchase of 10000 Equity Shares (31/03/2018)		xvii) 428000	xvii) 0.4427
	At the end of the year (or on the date of separation, if separated during the year)		428000	0.4427
8)	SAHARSH VINCOM PRIVATE LIMITED			
	At the beginning of the year			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			
	i) Purchase of 95000 Equity Shares (14/07/2017)		i) 95000	i) 0.0983
	ii) Purchase of 65000 Equity Shares (28/07/2017)		ii) 160000	ii) 0.1655

	iii) Purchase of 30916 Equity Shares (15/09/2017)			iii) 190916	iii) 0.1975
	iv) Sale of (25000) Equity Shares (22/09/2017)			iv) 165916	iv) 0.1716
	v) Sale of (22935) Equity Shares (15/12/2017)			v) 142981	v) 0.1479
	vi) Purchase of 71275 Equity Shares (22/12/2017)			vi) 214256	vi) 0.2216
	vii) Purchase of 45000 Equity Shares (02/02/2018)			vii) 259256	vii) 0.2682
	viii) Sale of (102459) Equity Shares (02/03/2018)			viii) 156797	viii) 0.1622
	ix) Purchase of 200000 Equity Shares (31/03/2018)			ix) 356797	ix) 0.3691
	At the end of the year (or on the date of separation, if separated during the year)			356797	0.3691
9)	MALAVIKA JAGDISH TOPRANI				
	At the beginning of the year	4000000	4.1377		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	i) Sale of (405000) Equity Shares (23/06/2017)			i) 3595000	i) 3.7187
	ii) Sale of (183260) Equity Shares (30/06/2017)			ii) 3411740	ii) 3.5291
	iii) Sale of (949600) Equity Shares (07/07/2017)			iii) 2462140	iii) 2.5469
	iv) Sale of (403224) Equity Shares (14/07/2017)			iv) 2058916	iv) 2.1298
	v) Sale of (1044277) Equity Shares (21/07/2017)			v) 1014639	v) 1.0496
	vi) Sale of (554950) Equity Shares (28/07/2017)			vi) 459689	vi) 0.4755
	vii) Sale of (459689) Equity Shares (04/08/2017)			vii) 0	vii) 0.0000
	At the end of the year (or on the date of separation, if separated during the year)				
10)	AATUR HARSHAD MEHTA				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	i) Sale of (200000) Equity Shares (21/07/2017)				
	ii) Purchase of 200000 Equity Shares (29/09/2017)				
	iii) Sale of (1123103) Equity Shares (15/12/2017)				
	iv) Sale of (376897) Equity Shares (22/12/2017)				
	v) Sale of (290000) Equity Shares (05/01/2018)				
	vi) Sale of (1769986) Equity Shares (12/01/2018)				
	vii) Sale of (440014)Equity Shares (19/01/2018)				
	At the end of the year (or on the date of separation, if separated during the year)				
11)	HEMA RAMESH AJWANI				
	At the beginning of the year	2000000	2.0688		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	i) Sale of (2000000)			0	0
	Equity Shares (06/10/2017)				
	At the end of the year (or on the date of separation, if separated during the year)			0	0

12)	SIDHARTH R AJWANI				
	At the beginning of the year	2000000	2.0688		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	i) Sale of (170000) Equity Shares (24/11/2017)		i) 1830000	i) 1.8930	
	ii) Sale of 458761 Equity Shares (22/12/2017)		ii) 1371239	ii) 1.4184	
	iii) Sale of (1218376) Equity Shares (29/12/2017)		iii) 152863	iii) 0.1581	
	iv) Sale of (152863) Equity Shares (06/01/2018)		iv) 0	iv) 0.0000	
	At the end of the year (or on the date of separation, if separated during the year)				
13)	SANGITA SIDHARTH AJWANI				
	At the beginning of the year	2000000	2.0688		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	i) Sale of (1705000) Equity Shares (10/11/2017)				
	ii) Sale of (295000) Equity Shares (24/11/2017)				
	At the end of the year (or on the date of separation, if separated during the year)				
14)	RAMESH K AJWANI				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	i) Sale of (561103) Equity Shares (01/09/2017)		i) 295000	i) 0.3052	
	ii) Sale of (305000) Equity Shares (15/09/2017)		ii) 0	ii) 0	
	iii) Sale of (253897) Equity Shares (27/10/2017)				
	iv) Sale of (785000) Equity Shares (03/11/2017)				
	v) Sale of (95000) Equity Shares (10/11/2017)				
	At the end of the year (or on the date of separation, if separated during the year)				

v) Shareholding of Directors and Key Managerial Personnel:

SN	For each of the Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		No shares are held by Directors and Key Managerial Personnel either at the beginning or at the end of the year		
	At the end of the year				

V) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,65,09,566	1,770	-	4,65,11,336
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4,65,09,566</b>	<b>1,770</b>	<b>-</b>	<b>4,65,11,336</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition		30,37,800	-	30,37,800
* Reduction	4,22,53,583	30,03,650	-	4,52,57,233
<b>Net Change</b>	<b>4,22,53,583</b>	<b>34,150</b>	<b>-</b>	<b>(4,22,19,433)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	42,55,982	35,920	-	42,91,902
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>42,55,982</b>	<b>35,920</b>	<b>-</b>	<b>42,91,902</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Mohit Kaushik (Executive Director & CEO)	N.A	N.A	N.A	
1	Gross salary		-	-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,10,000	-	-	-	3,10,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	3,10,000	-	-	-	3,10,000
	Ceiling as per the Act	1,91,03,850	-	-	-	1,91,03,850

### B. Remuneration to other directors

(₹ in Lakhs)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		-	-	-	
3	Independent Directors	-	-	-	-
	Fee for attending board committee meetings				
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)				
4	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)				
	Total Managerial				
	Remuneration				
	Overall Ceiling as per the Act	N.A	N.A	N.A	N.A

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(₹ in Lakhs)

SN.	Particulars of Remuneration	CEO	Key Managerial Personnel			Total
			CS	CFO		
1	Gross salary	N.A	Mr. P. M. Nair	Ms. Manali More		-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,20,000	6,12,000		7,32,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-		-
2	Stock Option	-	-	-		-
3	Sweat Equity	-	-	-		-
4	Commission	-	-	-		-
	- as % of profit	-	-	-		-
	others, specify...	-	-	-		-
5	Others, please specify	-	-	-		-
	Total	-	1,20,000	6,12,000		7,32,000

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## ANNEXURE 'II' TO THE BOARD'S REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY [CSR] ACTIVITIES

- Brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to a web-link to the CSR Policy and projects or programs.

The Company has framed a CSR Policy in compliance with the provisions of section 135 of Act. The CSR activities are proposed to be initiated in the field of promoting education.

- Composition of the CSR Committee:

Mr. Nazirsaeb M. Sayyad	– Chairman
Mr. K. D. Fatnani	– Member
Mr. Mohit P. Kaushik	– Member

- Average net profits of the Company for the last three financial years: Rs. 14,40,64,481.70
- Prescribed CSR expenditure [2% of the amount as in item No. 3 above]: Rs. 28,81,290
- Details of CSR spent during the financial year:
  - Total amount to be spent during the financial year 2017-18 - Rs. 15.61Lacs
  - Amount unspent, if any: Rs.15.61Lacs
  - Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

1	2	3	4	5	6	7	8
Sr. No	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programs [1] Local area or other[2] Specify the state and district where projects or programs were undertaken	Amount outlay [Budget] Project or Program wise : Rs.	Amt. spent on the Projects or Programs: Sub-heads: [1] Direct expenditure on projects of programs, [2] Overheads	Cumulative expenditure up to the reporting period: Rs.	Amount spent: Direct or through implementing Agency
		-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-

- In case the Company has failed to spend two percent of the average net profit of the last three financial years or any part thereof, the company should provide the reasons for not spending the amount in Board's Report

During the Financial Year 2017-18, Company has incurred expenditure of Rs. NIL in CSR activities. The amount of Rs. 15.61 could not be spent due to lack of suitable CSR projects. The Company is in process of identifying the same and the amount will be spent on CSR activities as soon as possible.

- Responsibility Statement:**

The implementation and monitoring of Corporate Social Responsibility [CSR] Policy, is in compliance with CSR objectives and policy of the Company.

Place : Mumbai  
Date : 14th August, 2018

Chairman of CSR Committee  
**Mr. Nazirsaeb M. Sayyad**  
DIN: 01820552

Member of CSR Committee  
**Mr. Mohit P. Kaushik**  
DIN: 06463483

## ANNEXURE 'III' TO THE BOARD'S REPORT

[A] DISCLOSURES REGARDING REMUNERATION REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

- i. Ratio of the remuneration of each director to the median remuneration of the employees of the Company -

Managing Director	Ratio to median remuneration of the employees
Mohit P. Kaushik: median remuneration	1:2:06

- ii. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year –

Director - NIL

Chief Financial Officer – NIL

Company Secretary - NIL

- ii. Percentage increase in the median remuneration of employees in the financial year –

NIL

- iii. Number of permanent employees on the rolls of company –

As on 31st March, 2018 there are total 231 employees on the pay roll of the Company out of which 3 are Key Managerial Personnel.

- iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration –

There is no increase in the salaries of employees other than the managerial personnel

- v. Key parameters for any variable component of remuneration availed by the directors –

There are no variable components in remuneration to the Directors.

- vi. Affirmation that the remuneration is as per the remuneration policy of the company –

Yes, Affirmed.

**[B] INFORMATION AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

(i) Details of top ten employee drawing remuneration pursuant to the provisions of Rule, 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

Name of the employee	Dinesh Sharma	Vikram Gaikwad	V K Hiralal	Manali More	Dilip Bhosale	N K Swami	P R Sajan	B.G. Chalke	Bijay Pradan	Mohit P Kaushik
Designation of the employee	COO	Prodn Manager	VP Marketing	CFO	Instrument Incharge	Commercial Manager	Maintenance Manager	Manager Electricals	Store Inc harge	Executive Director
Remuneration received (Per annum)	19,00,000	5,10,000	6,00,000	6,12,000	5,40,000	4,10,400	3,60,000	4,17,600	3,24,000	3,10,000
Nature of employment, whether contractual or otherwise	Service	Service	Service	Service	Service	Service	Service	Service	Service	Service
Qualifications and experience of the employee	C.A	B.Sc 15 years experience	B.A / D.F.M / D.I.E.M / D.I.M / A.D.I.M / S.D.M / M.B.A; 49 years experience	M.Com; 24 years experience	SSC, ITI & Instrumental Engineer; 26 years experience	M.Com; 21 years experience	SSC; 20 years experience	Diploma in Electricals; 25 years experience	B.A	B.Com; 8 years experience
The age of such employee	61 years	46 years	69 years	47 years	46 years	45 years	52 years	56 years	36 years	29 years
The last employment held by such employee before joining the company	Chartered Accountant	Nakoda Industries	Shreyas Interme-diates Limited	Shreyas Interme-diates Limited	Sudershan Chemicals Limited	Shri Hari Chemicals Export Ltd	Divya Chemicals Limited	Universal Chemicals Limited	Shreyas Interme-diates Ltd	NIL
The percentage of equity shares held by the employee in the company	30,00,000 (through HUF)	-	-	-	-	-	-	-	-	-
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager.	Yes. Spouse of Mrs. Snehalata D. Sharma	-	-	-	-	-	-	-	-	-

(ii) There were no employees in the Company, who were in receipt of remuneration of more than one crore and two lakh rupees in the year 2017-18 or eight lakh and fifty thousand rupees per month if employed for a part of the financial year.

## ANNEXURE 'IV' TO THE BOARD'S REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS

(Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Today, we are the leading manufacturers of Phthalocyanine Blue Crude and its downstream products in India and contribute upto 15% of the entire Copper Phthalocyanine market of India. The company has a global presence in 15 countries.

The production capacity of Kesar Petroproducts in Copper Phthalocyanine Blue Crude is 1500 metric tons per month, in Alpha Blue is 200 metric tons per month and in Pigment Green 7 is 50 metric tons per month. We also plan to expand their operations in the Beta Blue market with a production capacity of 250 metric tons per month. This rapidly growth production capacity makes us one of the most progressive players in the industry.

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

Chemicals are an integral part of our modern day life. There is hardly any industry where chemical substances are not used. Pigments are an integral ingredient of the chemical industry. Pigments are colouring agents that can be classified into phthalo and azo pigments. Phthalocyanine pigments are one of the largest categories of pigments manufactured in India. Your Company is engaged in the manufacture of Phthalocyanine Blue Crude and its downstream products in India.

#### OPPORTUNITIES, THREATS, RISK & CONCERNS

The global pigments industry produces hundreds of colourants for a wide spectrum of industries and consumers. The major markets are printing inks, paints and coatings, plastics, paper, ceramics, textiles, glass, food and cosmetics.

With more and more people are moving to urban areas there has been a hefty growth in the paints and coating industry. The Asia Pacific region is expected to grow as demand and production of pigment are shifting from the US, Europe and Japan to the emerging markets of Asia, especially China and India.

A steady increase in the large pigments markets such as paint and coating will catalyse volumes. With the printing ink industry also performing well, it will open up newer opportunities for the Company.

Raw material availability and their costs are always a concern. The key raw materials used in the manufacture of the pigments are derivatives of crude oil. Hence, prices of raw material vary with fluctuation in the international crude oil prices. The Company has an in built system of monitoring the inventory

and logistics. Further production process of the Company is vertically integrated, where CPC Blue Crude is the primary raw material for the production of Pigment Blue. This helps the Company to manage the raw material cost. The future of pigment production is completely dependent on the ability to treat the waste water. The Company has been investing continuously in meeting its obligations towards protecting the environment. Towards this step, the company aims at providing a seamless integration of quality and schedule by ensuring timely deliveries, state-of-the-art manufacturing products, new age technology, constant innovation and economic viability.

The Audit Committee monitors the implementation of the risk mitigation plans.

#### OUTLOOK

Indian economy is expected for slow revival with continued inflationary prices, rising raw material cost, depreciating rupee. The global economy shows signs of revival but with no significant upturn. Developed economies like North America and Europe which are major consumers of pigment are gradually recovering and accordingly demand for printing inks, paints and coating is expected to pick up, which will benefit the Company. The Company will continue its efforts to increase the utilization of its installed capacities, which will be crucial to achieve an improvement in the operational results.

Priority will be on the quality of the products. The disciplined focus will be cost reductions, operating efficiencies and diligent cash deployment in value creating opportunities. The Company is also taking efforts to increase the product line whereby company will be in a position to increase the margin on sales.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls commensurate with its size and business operation to ensure timely and accurate financial reporting in accordance with applicable accounting standards, safeguarding of assets against unauthorized use or disposition and compliance with all applicable regulatory laws and company policies. Internal control systems are reviewed by Audit Committee on a regular basis for its effectiveness and the necessary changes suggested are incorporated into the system. Internal Audit Reports are reviewed by the Audit Committee of the Board.

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## **FINANCIAL PERFORMANCE**

The financial performance of the company has been discussed and disclosed in the Director's Report.

## **HUMAN RESOURCES DEVELOPMENT**

The Industrial relations climate of your Company continues to remain harmonious with focus on productivity, quality and safety. During the year under review, there were, no significant labour issues outstanding or remaining unresolved during the year. The Board records their appreciation of the commitment and support of the employees and looks forward to their continued support. As on 31st March 2018, the Company had 231 permanent employees.

## **CAUTIONARY STATEMENT**

Some of the statements in this "Management Discussion and Analysis", describing the Company's objectives, projections, estimates, expectations and predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

## ANNEXURE 'V' TO THE BOARD'S REPORT

### REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

#### 1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company is committed to benchmarking itself with the best in all areas including Corporate Governance. The Company's philosophy of Corporate Governance is aimed at strengthening the confidence among shareholders, customers, employees and ensuring a long-term relationship of trust by maintaining transparency and disclosures. The Company believes in maintaining highest standards of quality and ethical conduct in all the activities of the Company.

#### 2. BOARD OF DIRECTORS:

- **Composition:**

The Board of Directors consisted of 3 (Four) Directors. The composition of the Board, attendance at Board Meetings held during the year and at the last Annual General Meeting, number of directorships in other companies and Chairmanship/ Membership in Committees are given below:

Name of Director	Category	No. of Board Meetings held	Attendance Particulars		No. of other Directorship (s)	Committee Positions (including Company)	
			Board Meeting	Last AGM		Member ships	Chairman
Mr. Mohit P. Kaushik	Executive Director & CEO	4	4	Yes	-	2	-
Mr. Nazirsaeb M. Sayyad	Independent Director	4	4	Yes	-	-	2
Mr. K. D. Fatnani (w.e.f 30th May, 2017)	Independent Director	4	3	Yes	-	2	-
Mrs. Snehlata D. Sharma	Non Executive Director	4	4	Yes	-	-	-
Mr. Sunil A. Sawant (till 22nd May, 2017)	Independent Director	N.A	N.A	N.A	-	N.A	N.A

The directorship held by Directors as mentioned above do not include Directorships of Private Companies/Foreign Companies and Section 8 Companies.

Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies has been considered.

- **Number and date of Board Meetings held:**

During the year 2017-18, 4 (Four) Board Meetings were held on 30th May, 2017, 14th August, 2017, 11th December, 2017 and 14th February, 2018.

- **Disclosure of relationship between directors inter se:**

None of the directors of the Company are related with each other.

- **Number of shares and convertible instruments held by Non-Executive Director:**

As on 31st March, 2018, no Non-Executive Director held any share/convertible instruments in the Company.

- **Web-link where details of familiarization programmes imparted to independent Directors is disclosed:**

The details of the programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company are put up on the website of the Company at the link: <http://www.kesarpetroproducts.com>.

#### 3. AUDIT COMMITTEE:

- **Brief description of terms of reference:**

The broad terms and reference of the Audit Committee are to review the financial statements before submission to Board, to review reports of the Internal Auditors, to review the weakness in internal controls reported by Internal and Statutory Auditors and to review the remuneration of Internal and Statutory Auditors. In addition of the above, the other powers and role of the Audit Committee are as laid down under Regulation 18 and Part C of Schedule II of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

**• Composition:**

The Audit Committee comprised of Mr. Nazirsaeb M. Sayyad, Mr. K. D. Fatnani, Independent Directors and Mr. Mohit P. Kaushik, Executive Director & CEO. Mr. Nazirsaeb M. Sayyed is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

Name of the member	Designation	No. of Meetings Attended
Mr. Nazirsaeb M. Sayyad	Chairperson	4
Mr. K. D. Fatnani (w.e.f 30th May, 2017)	Member	3
Mr. Mohit P. Kaushik	Member	4

#### **4. NOMINATION AND REMUNERATION COMMITTEE:**

**• Brief description of terms of reference:**

The terms of reference of the Nomination and Remuneration Committee are as specified for Remuneration to the Directors under Regulation 19 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of Companies Act, 2013.

**• Composition:**

The Nomination and Remuneration Committee comprised

Name of the member	Designation	No. of Meetings Attended
Mr. Nazirsaeb M. Sayyad	Chairperson	1
Mr. K. D. Fatnani (w.e.f 30th May, 2017)	Member	-
Mrs. Snehlata D. Sharma	Member	1

**• Performance evaluation criteria for Independent Directors:**

Pursuant to the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performances of each Independent Director. The questionnaires are prepared considering the business of the Company. The Evaluation framework for assessing the performance of Independent Directors, inter alia, comprise of the following key areas:

1. Attendance of Board and Committee Meetings;
2. Quality of contribution to Board deliberations;

**• Meeting and attendance during the year:**

The Audit Committee met 4 (four) times viz. on 30th May, 2017, 14th August, 2017, 11th December, 2017 and 14th February, 2018 during the year under review. The number of meetings attended by each member during the year is as follows:

of Mr. Nazirsaeb M. Sayyad, Mr. K. D. Fatnani, Independent Directors and Mrs. Snehlata D. Sharma, Non Executive Director. Mr. Nazirsaeb M. Sayyad is a Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

**• Meeting and attendance during the year:**

During the year under review, 1 (One) meeting of the Committee was held on 30th May, 2017. The attendance at the Committee meeting was as follows:

3. Strategic perspectives or inputs regarding future growth of the Company and its performances;
4. Providing perspectives and feedback going beyond information provided by the management.

**• Remuneration to Directors:**

- a) The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2017-2018.
- b) Non-Executive Directors did not draw any remuneration from the Company.

c) Details of remuneration paid to Directors during the year ended 31st March, 2018 and shares held by them on that date are as follows:

Name	Salary	Perquisites or Allowances	Contribution to PF & Others	Commission	Sitting fees	Total	Total no. of shares held
Mr. Mohit P. Kaushik	3,10,000	-	-	-	-	-	-
Mr. Nazirsaeb M. Sayyed	-	-	-	-	-	-	-
Mrs. Snehtala Sharma	-	-	-	-	-	-	-
Mr. K. D. Fatnani (w.e.f 30th May, 2017)	-	-	-	-	-	-	-

- (i) Apart from the above mentioned remuneration paid, there are no other fixed component and performance linked incentives based on the performance criteria;
- (ii) The tenure of office of the Executive Director is for three years from the date of appointment, and can be terminated by either party by giving one months' notice in writing. There is no separate provision for payment of severance fees.
- (iii) There are no stock options offered to the any Directors of the Company.

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

### • Composition:

The Stakeholders' Relationship Committee comprises of

At the beginning of the year	Received during the year	Resolved during the year	Pending at the ending of the year
01	24	24	01

### • Meeting and attendance during the year:

During the year under review, 22 (Twenty Two) meetings of the Committee were held on 22nd May, 2017, 29th May, 2017, 5th June, 2017, 14th August, 2017, 6th October, 2017, 16th October, 2017, 25th October, 2017, 9th November, 2017, 14th November, 2017, 27th November, 2017, 5th December, 2017, 18th December, 2017, 1st January, 2018, 3rd January, 2018, 13th January, 2018, 2nd February, 2018, 14th February, 2018, 26th February, 2018, 1st March, 2018, 16th March, 2018, 27th March, 2018. The attendance at the Committee meeting was as follows:

Name of the member	Designation	No. of Meetings Attended
Mr. Nazirsaheb M. Sayyed	Chairperson	22
Mr. K. D. Fatnani (w.e.f 30th May, 2017)	Member	20
Mr. Mohit Kaushik	Member	22
Mr. Sunil A. Sawant (till 22nd May, 2017)	Member	-

## **6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Corporate Social Responsibility Committee comprises of Mr. Nazirsaeb M. Sayyad, Mr. K. D. Fatnani, Independent Directors and Mr. Mohit P. Kaushik, Executive Director & CEO. Mr. Nazirsaeb M. Sayyad is a Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

During the year, the CSR Committee met on 14th February, 2018. All the members of the Committee were present at the meeting.

## **7. GENERAL BODY MEETINGS:**

- Location and time, where last three Annual General Meetings (AGM) held:

Financial year	Time	Date	Location	Special resolutions passed
2014-15	11.00 a.m.	29th September, 2015	D-7/1, MI.D.C., Lote Parshuram, Taluka Khed, District Ratnagiri.	Alteration in Capital Clause V of Memorandum of Association of the Company.
2015-16	11.00 a.m	30th September, 2016	D-7/1, MI.D.C., Lote Parshuram, Taluka Khed, District Ratnagiri.	No special resolution was passed
2016-17	11.00 a.m	28th September, 2017	D-7/1, MI.D.C., Lote Parshuram, Taluka Khed, District Ratnagiri.	No special resolution was passed

No Extra Ordinary General Meeting of the Company was held during the year under review.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

## **8. MEANS OF COMMUNICATION:**

The Company's has published its quarterly/half yearly/Annual results in newspaper i.e. Business Standard, and Daily Sagar.

Website: The Company's website ([www.kesarpetroproducts.com](http://www.kesarpetroproducts.com)) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

New releases, presentations, among others : All Corporate Announcements made to the Stock Exchanges during the year 2017-18 are be made available on the website of the Company.

During the year 2017-18, the Company has made presentations to institutional investors or analysts on 1st September, 2017, 15th January, 2018, 16th February, 2018, and 27th February, 2018. The same were intimated to the Stock Exchange where the shares of the Company is listed.

## **8. GENERAL SHAREHOLDER INFORMATION:**

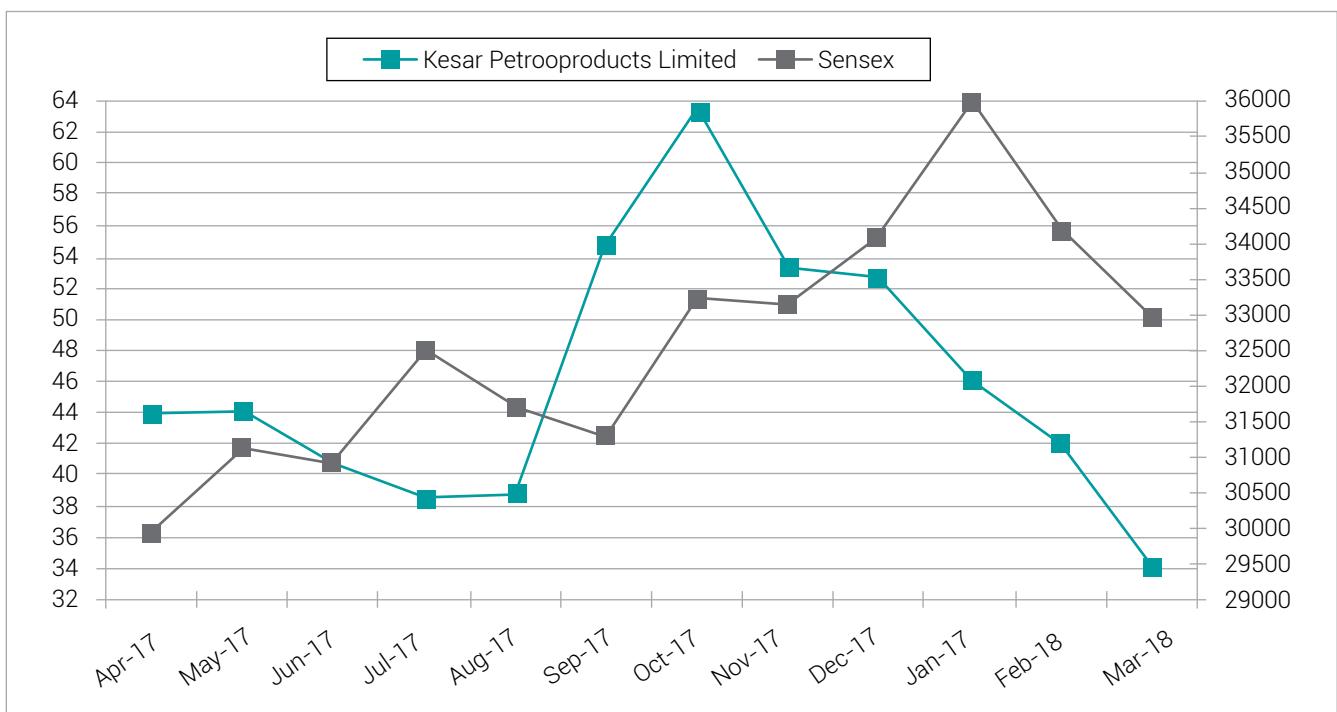
- Annual General Meeting: Friday, 28th day of September,

2018 at 11.00 A.M. at D-7/1, M.I.D.C., Lote Parshuram, TalukaKhed, District Ratnagiri, Maharashtra.

- Financial Year : 1st April to March 31st
- Date of Book Closure : Saturday, 22nd September, 2018 to Friday 28th September, 2018 (both days inclusive)
- Cut-off date for remote e-voting: The remote e-voting / voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. 21st day of September, 2018.
- Dividend Payment Date: N.A.
- Name and address of the Stock Exchanges at which the Company's securities are listed and confirmation about payment of listing fees: The equity shares of the Company are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. The Company has paid the listing fees for the year 2018-19 to the stock exchange where the shares are listed.
- Stock Code: BSE: 524174; ISIN: INE133C01033
- Stock Market Price Data And Performance Comparison With BSE Sensex:

The monthly high/low of market price of shares traded on the BSE Limited and performance comparison with BSE Sensex, Mumbai are as follows:

Month	Stock Open Price	Stock High Price	Stock Low Price	Stock Close Price	Sensex Close
April-17	45.45	50.9	41.3	44.05	29918.4
May-17	45	45.75	36.35	44.1	31145.8
June-17	46.3	51.35	37.65	40.75	30921.61
July-17	41.05	43.3	35.55	38.45	32514.94
August-17	38.45	41	29.5	38.8	31730.49
September-17	39	62.4	38.4	54.9	31283.72
October-17	55.9	74.8	52.4	63.55	33213.13
November-17	64	66	45.5	53.5	33149.35
December-17	54.85	63.35	48.85	52.8	34056.83
January-18	54	58.8	45.9	46.25	35965.02
February-18	46.5	53.8	36.1	42	34184.04
March-18	42	43	32.4	34.2	32968.68



i. Trading of Securities: The securities of the Company are not suspended from trading during the year 2017-18.

j. Registrar and Share Transfer Agents:

Link Intime India Private Limited

C-101, 247 Park, L.B.S Marg,  
Vikroli (West), Mumbai 400083

Tel: +91 22 49186000

Fax: +91 22 49186060

Email: rnt.helpdesk@linkintime.co.in

k. Share Transfer System:

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agent (RTA) within 15 days of the lodgment, if documents, are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

I. Distribution of Shareholding as at 31st March, 2018:

Shareholding of Nominal Shares	Shareholder	Percentage of Total	Total shares	Percentage of Total
1-500	34058	85.5772	3123792	3.2313
501-1000	2781	6.9878	2347859	2.4287
1001-2000	1359	3.4147	2163134	2.2376
2001-3000	523	1.3141	1364678	1.4116
3001-4000	224	0.5628	823131	0.8515
4001-5000	252	0.6332	1209641	1.2513
5001-10000	312	0.784	2387840	2.4700
10001 and above	289	0.7262	83253095	86.1181
Total	39798	100	96673170	100

m. Dematerialization of Shares:

As on 31st March, 2018, 94.31% of the total shares of the Company were in dematerialized form.

n. Convertible instruments:

The Company has no convertible securities outstanding as on 31st March, 2018.

The Company has not issued any ADRs, GDRs, or any other convertible instruments during the financial year ended 31st March, 2018.

o. Commodity Price risk or foreign exchange risk and hedging activities:

The Company did not engage in Commodity, foreign exchange risk and hedging activities during the year.

p. Plant Location: D-7/1 ,M.I.D.C., LoteParshuram, TalukaKhed, District Ratnagiri, Maharashtra.

q. Regd. Office &Address for Investors' Correspondence:  
Kesar Petroproducts Limited,  
D-7/1,MIDC Lote Parshuram, Taluka Khed,  
Ratnagiri-415722  
Phone : 02356-272339  
Email : info@kesarpetroproducts.com  
Website: www.kesarpetroproducts.com

Link Intime India Private Limited  
C-101, 247 Park, L.B.S Marg,  
Vikroli (West), Mumbai 400083  
Tel: +91 22 49186000  
Fax: +91 22 49186060  
Email: rnt.helpdesk@linkintime.co.in

## 9. DISCLOSURES:

a) Related party transactions:

During the year under review, there were no material transactions with related parties that may have potential conflict with the interest of the Company at large.

The policy on dealing with Related Party Transaction is be made available on Company's website at [www.kesarpetroproducts.com](http://www.kesarpetroproducts.com) under Investor Relation Section.

b) Compliance by the Company:

The Company has complied with all the requirements of listing agreement and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 entered into with the Stock Exchange. There were no penalties or strictures imposed on the Company by the Stock Exchange, SEBI or other statutory authorities for non-compliances of any matter related with capital market during the last three years except as disclosed hereunder:

The SEBI has vide its order no. WTM/PS/134/CFD/Jan/2016 dated 11th January, 2016 confirmed its order dated 4th June, 2013 freezing the voting rights and corporate benefits like dividend, rights, bonus shares, split etc. of the promoter / promoter group with respect to excess of proportionate promoter / promoter group shareholding in non-compliance of said regulations till such time it complies with minimum public shareholding requirement. The aforesaid orders were for non-compliance of Regulations 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 read with Clause 40A of the Listing Agreement with respect to minimum public shareholding by the Company.

The Company had filed a petition against the said SEBI order before the Securities Appellate Tribunal (SAT). SAT has disposed off the appeal permitting the Company to make representation to SEBI setting out the mode and manner in which the minimum public shareholding requirement has been achieved. The Company has represented the matter to SEBI and SEBI has vide its order no. SEBI /WTM/SR/CFD/67/09/2017 dated 5th September, 2017, inter alia, vacated the directions issued vide the interim order dated June 04, 2013 and confirmed by order dated January 11, 2016 (except the direction

- mentioned at Paragraph No. 15 of the Confirmatory Order dated January 11, 2016) against the Company, its directors, promoters and promoter group.
- c) Whistle-Blower Policy/Vigil Mechanism and affirmation that no personnel have been denied access to the Audit Committee:
- The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. We affirm that during the financial year 2017-18, no employee was denied access to the Audit Committee.
- d) Details of Compliance with mandatory requirements and adoption of non mandatory requirements:
- The Company has complied with all mandatory requirements of Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant section of this report.
- e) Material Subsidiaries:
- The Company does not have any subsidiary.
- 10. Compliance of the requirement of Corporate Governance Report:**
- The Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- 11. Discretionary Requirements as specified in Part E of Schedule II:**
- The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:
- (a) Audit Qualification - The Company is in the regime of unqualified financial statements.
- (b) Reporting of Internal Auditor – The Internal Auditor directly reports to the Audit Committee.
- 12. Disclosure of the Compliance with Corporate Governance**
- The Company has complied with the Regulations 17 to 20, 22, 23, 25 to 27 and Clauses (b) and (i) sub-regulations 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the year 2017-18, whenever applicable. Regulations 21 and 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to the Company.
- 13. Disclosure of Accounting treatment:**
- In the preparation of the financial statement, the Company has followed accounting standards issued by Institute of the Chartered Accountants of India to the extent applicable.
- 14. Related Party Disclosures:**
- The disclosures as required by Accounting Standard (AS-18) on "Related Party" are given in appended financial statements under notes to accounts.
- 15. Disclosure with respect to demat suspense account/unclaimed suspense account:**
- The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at 31st March, 2018. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.
- 16. Compliance Certificate by Auditors:**
- The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is annexed herewith and forming part of Annual Report.
- 17. Compliance Certificate for Code of Conduct:**
- The declaration by Whole-Time Director affirming compliance of Board and Senior Management Personnel to the Code is also annexed herewith and forming part of Annual Report as per Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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## ANNEXURE 'VI' TO THE BOARD'S REPORT

### CODE OF CONDUCT

#### Declaration – Code of Conduct

As per the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct during the year ended 31st March, 2018.

By Order of the Board of Directors  
For **Kesar Petroproducts Limited**

**Mohit P. Kaushik**  
Executive Director & CEO  
DIN: 06463483

Place: Mumbai  
Date: 14th August, 2018

## ANNEXURE 'VII' TO THE BOARD'S REPORT

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Kesar Petroproducts Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kesar Petroproducts Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not Applicable
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not Applicable and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not Applicable
- (i) As informed and certified by the management the following are the laws applicable specifically to the Company as per its business activity:
  - Factories Act, 1948;
  - Industrial Disputes Act, 1947;
  - The Minimum Wages Act, 1948;
  - Boiler Act 1923 and Maharashtra Boiler Rules, 1962
  - The Industrial Employment (Standing Order) Act, 1946;

- The Child Labour (Prohibition and Regulation) Act, 1986;
- The Maternity Benefit Act, 1961;
- The Environment (Protection) Act, 1986;
- Water (Prevention and Control of Pollution) Act, 1974;
- Air (Prevention and Control of Pollution) Act, 1981;
- Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Central Sales Tax Act, 1956 & other applicable state Sales Tax Acts;
- The Professional Tax Act, 1975;
- The Income Tax Act, 1961;
- The Finance Act, 1994 (Service Tax);
- Central Excise and Customs Act;
- Standard of Weight And Measures Act, 1976;
- Essential Commodities Act, 1955;
- Explosive Act 1884;
- Explosive Substance Act, 1908;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;
- Maharashtra Shops and Establishments Act, 1948.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. Form IEPF-2 for Statement of unclaimed and unpaid amounts of dividend was not filed within stipulated time period.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that during the audit period the company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

For M/s. Mahesh Kandoi& Associates  
Company Secretary

**Mahesh Kandoi**  
Proprietor

Place : Mumbai	Membership No: ACS 4506
Date : 14th August, 2018	COP.16150

Note: This report is to be read with our letter of even date that is annexed as Annexure I and forms an integral part of this report.

## 'Annexure I' to Secretarial Audit Report

To,  
The Members,  
**Kesar Petroproducts Limited**

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

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M/s. Mahesh Kandoi& Associates  
Company Secretary

**Mahesh Kandoi**  
Proprietor

Membership No: ACS 4506  
COP.16150

Place : Mumbai  
Date : 14th August, 2018

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## ANNEXURE 'VIII' TO THE BOARD'S REPORT

### AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of Kesar Petroproducts Limited,

We have examined the compliance of the conditions of Corporate Governance by Kesar Petroproducts Limited ('The Company'), for the year ended on March 31, 2018, as stipulated in:

Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by Directors and the Management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable during the year ended March 31, 2018.

We further 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 A. Sachdev & Co.  
Chartered Accountants  
FRN:001307C

Manesh Agarwal  
Partner  
M.No.078628

Place: Mumbai  
Date: 14th August, 2018

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## FINANCIAL SECTION

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# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
KESAR PETROPRODUCTS LIMITED

## Report on the Financial Statements

We have audited the accompanying financial statements of KESAR PETROPRODUCTS LIMITED ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.;
  - (d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's

internal financial controls over financial reporting; and

- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The company has no pending litigation which would impact its financial position except those disclosed in financial statements;
  - ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
  - iii. There were no amounts which were required by the company to be transferred to the Investor Education and Protection Fund, and;

2. As required by Section 143(3) of the Act, based on our audit we report that:

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure B, a statement on the matters specified in the paragraph 3 and 4 of the Order.

For **A Sachdev & Co.**  
Chartered Accountants  
(Firm's Registration No. 001307C)

Place: Mumbai  
Date : 30th May, 2018

**CA Manish Agarwal**  
(Partner)  
(M.no. 078628)

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## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KESAR PETROPRODUCTS LIMITED of even date)

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

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

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards

on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

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

For A Sachdev & Co.

Chartered Accountants

(Firm's Registration No. 001307C)

CA Manish Agarwal

(Partner)

(M.no. 078628)

Place: Mumbai

Date : 30th May, 2018

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## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

- i. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;  
b) According to the information and explanations given to us, the Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification  
c) The title deeds of immoveable properties are held in the name of the company.
- ii. The inventories, have been physically verified by the management during the year at reasonable interval. According to information & explanations given to us, the discrepancies noticed on verification between the physical stock and books record, have been properly dealt with in the Books of accounts.
- iii. According to information & explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore, the paragraph 3(v) of the Order is not applicable to the company.
- vi. We have reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records u/s 148(1) of the Companies Act 2013 in relation to products manufactured and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2018, there are no undisputed statutory dues payables for period exceeding more than six month from the date they become payable.  
b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.

- viii. During the year the company has not defaulted in repayment of loans or borrowings to the banks. The company has not taken any loan or borrowings from any financial institution or Government. The company has not issued debentures.
- ix. Money raised by way of term loan were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. In our opinion, the managerial remuneration paid or provided by the company is in accordance with the provision of section 197 read with Schedule V of the Companies Act 2013..
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information provided to us, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information provided to us, the company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

For A Sachdev & Co.  
Chartered Accountants  
(Firm's Registration No. 001307C)

CA Manish Agarwal  
(Partner)  
(M.no. 078628)

Place: Mumbai  
Date : 30th May, 2018

## BALANCE SHEET as at 31st March, 2018

(Amount in ₹)

PARTICULARS	NOTE NO.	As at 31 March, 2018		As at 31 March, 2017	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholder's Funds</b>					
(a) Share Capital	1	9,66,73,170		9,66,73,170	
(b) Reserves and Surplus	2	1,09,11,46,501		78,56,25,238	
(c) Money Received Against Share Warrants		-	1,18,78,19,671	-	88,22,98,408
<b>Share Application Money Pending Allotment</b>			-	-	-
<b>Non-Current Liabilities</b>					
(a) Long-Term Borrowings	3	42,91,902		4,65,11,336	
(b) Deffered Tax Liabilites (Net)		36,525		-	
(c) Other Long Term Liabilities		-		-	
(d) Long-Term Provisions		-	43,28,427	-	4,65,11,336
<b>Current liabilities</b>					
(a) Short-Term Borrowings		-		-	
(b) Trade Payables	4	26,55,36,451		29,14,33,901	
(c) Other Current Liabilities	5	37,50,421		37,09,620	
(d) Short-Term Provisions	6	7,82,10,031	34,74,96,903	4,71,77,848	34,23,21,369
<b>TOTAL ASSETS</b>			<b>1,53,96,45,001</b>		<b>1,27,11,31,113</b>
<b>Non-Current Assets</b>					
(i) Property, Plant and Equipment Assets	7	42,80,03,252		39,46,55,056	
(ii) Intangible Assets		-		-	
(iii) Capital Work-In-Progress		9,35,58,094		3,90,501	
(iv) Intangible Assets Under Development		5,70,000		-	
(b) Non-Current Investments		-		-	
(c) Deferred Tax Assets (Net)		-		3,27,325	
(d) Long-Term Loans and Advances	8	1,78,474		1,76,124	
(e) Other Non-Current Assets	9	13,26,82,724	65,49,92,544	2,72,584	39,58,21,590
<b>Current Assets</b>					
(a) Current Investments	10	5,42,97,254		1,00,00,000	
(b) Inventories	11	24,20,86,920		18,52,25,360	
(c) Trade Receivables	12	24,36,94,476		28,89,69,891	
(d) Cash and Cash Equivalents	13	4,63,17,734		5,41,00,824	
(e) Short-Term Loans & Advances and Deposits	14	29,82,56,073		33,70,13,448	
(f) Other Current Assets			88,46,52,457		87,53,09,523.00
<b>TOTAL.</b>			<b>1,53,96,45,001</b>		<b>1,27,11,31,113</b>
Significant Accounting Policies & Notes on Financial Statement	21-36				

The accompanying Notes are an integral part of the financial statements

As per my report of even date

For A Sachdev & Co  
Chartered Accountants

For and on behalf of the Board of Directors

CA Manish Agarwal  
Partner  
Membership No. :078628  
Firm Regn. No. :001307C  
Place: Mumbai  
Dated : 30th May, 2018

Mohit Kaushik  
Executive Director

Parambadi Nair  
Company Secretary

Snehlata Sharma  
Non - Executive Director

Manali More  
Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS** for the year ended 31st March, 2018

(Amount in ₹)

PARTICULARS	NOTE NO.	As at 31 March, 2018		As at 31 March, 2017	
<b>INCOME:</b>					
Revenue from Operations	15		1,77,81,49,851		1,73,32,92,398
Other Income	16		2,18,52,535		1,10,08,816
<b>Total Revenue</b>			<b>1,80,00,02,387</b>		<b>1,74,43,01,214</b>
<b>EXPENDITURE:</b>					
Cost of Materials Consumed			1,21,68,09,137		1,22,99,45,710
Changes in inventories of Finished Goods,	17		(5,68,61,560)		(5,08,25,526)
Employee Benefits Expense	18		6,75,15,551		6,66,02,995
Finance Costs	19		28,43,814		61,34,359
Depreciation and Amortisation Expense	7		1,77,26,866		1,29,71,434
Other Expenses	20		16,78,73,436		22,58,09,830
<b>Total Expense</b>			<b>1,41,59,07,243</b>		<b>1,49,06,38,802</b>
Profit Before Tax			38,40,95,143		25,36,62,412
<b>Tax Expense:</b>					
Current Tax		7,82,10,031		5,32,52,500	
Deferred Tax		(3,63,850)	(7,85,73,881)	4,13,286	(5,28,39,214)
<b>Profit for the year After Tax</b>			<b>30,55,21,262</b>		<b>20,08,23,198</b>
Earnings Per Equity Share - Basic & Diluted			3.16		2.08
Significant Accounting Policies &	21-36				
Notes on Financial Statement					

The accompanying Notes are an integral part of the financial statements

**As per my report of even date**For A Sachdev & Co  
Chartered AccountantsCA Manish Agarwal  
Partner  
Membership No. :078628  
Firm Regn. No. :001307C  
Place: Mumbai  
Dated : 30th May, 2018**For and on behalf of the Board of Directors**Mohit Kaushik  
Executive Director  
Parambadi Nair  
Company SecretarySnehlata Sharma  
Non - Executive Director  
Manali More  
Chief Financial Officer

## CASHFLOW STATEMENT for the year ended 31st March, 2018

(Amount in ₹)

PARTICULARS	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax and Extra Ordinary Items	38,40,95,143.00	25,36,62,412.30
<u>ADJUSTMENTS FOR :</u>		
Depreciation & Amortizations	1,77,26,866.00	1,29,71,434.00
Interests Paid	4,42,291.00	25,09,594.00
Other Non - Operating Income	(2,18,52,535.00)	(1,10,08,816.00)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>38,04,11,765.00</b>	<b>25,81,34,624.30</b>
<u>ADJUSTMENTS FOR:</u>		
(Increase)/Decrease in Current Assets	(1,71,26,024.00)	(28,24,09,429.00)
Increase/(Decrease) in Current Liabilities	(2,58,56,649.00)	11,86,21,631.00
(Increase)/Decrease in Net Current Assets	(4,29,82,673.00)	(16,37,87,798.00)
Income Tax Paid	(4,71,77,847.00)	(3,44,10,920.00)
Cash Generated From Operations	29,02,51,245.00	5,99,35,906.30
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>29,02,51,245.00</b>	<b>5,99,35,906.30</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Additions to Fixed Assets	(14,48,12,655.00)	(4,94,88,809.03)
Increase/Decrease to Non- Current Assets	(13,24,10,140.00)	90,859.00
Interests Paid	(4,42,291.00)	(25,09,594.00)
Other Non - Operating Income	2,18,52,535.00	1,10,08,816.00
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(25,58,12,551.00)</b>	<b>(4,08,98,728.03)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Issuance of Shares	-	1,76,98,001.00
Increase/(Decrease) in Borrowings	(4,22,19,434.00)	(4,78,70,794.00)
Share Application money Received	-	-
(Increase)/Decrease in Advances	(2,350.00)	(1,76,124.00)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(4,22,21,784.00)</b>	<b>(3,03,48,917.00)</b>
<b>NET INCREASE/DECREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(77,83,090.00)</b>	<b>(1,13,11,738.73)</b>
<b>CASH &amp; CASH EQUIVALENTS (OPENING BALANCE)</b>	<b>5,41,00,824.00</b>	<b>6,54,12,563.00</b>
<b>CASH &amp; CASH EQUIVALENTS (CLOSING BALANCE)</b>	<b>4,63,17,734.00</b>	<b>5,41,00,824.27</b>

The accompanying Notes are an integral part of the financial statements

As per my report of even date

For A Sachdev & Co  
Chartered Accountants

CA Manish Agarwal  
Partner  
Membership No. :078628  
Firm Regn. No. :001307C  
Place: Mumbai  
Dated : 30th May, 2018

For and on behalf of the Board of Directors

Mohit Kaushik  
Executive Director  
Parambadi Nair  
Company Secretary

Snehlata Sharma  
Non - Executive Director  
Manali More  
Chief Financial Officer

## NOTES ON FINANCIAL STATEMENT for the year ended 31st March, 2018

### NOTE 1 SHARE CAPITAL

PARTICULARS		As at 31 March, 2018	As at 31 March, 2017	(Amount in ₹) As at 1 April, 2016
<b>AUTHORISED SHARE CAPITAL:</b>				
350000000 Equity shares of ₹1/- each.		35,00,00,000	35,00,00,000	35,00,00,000
(Previous Year 350000000 Equity shares of ₹1/- each)				
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>				
96673170 Equity Shares of ₹1/- Each		9,66,73,170	9,66,73,170	9,26,73,170
Fully paid up (Previous Year 96673170 Equity Shares of ₹1/- Each Fully Paid up)				
Total Rs.		9,66,73,170	9,66,73,170	9,26,73,170

### NOTE 2 RESERVES AND SURPLUS

PARTICULARS		As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Capital Subsidy from SICOM		30,00,000	30,00,000	30,00,000
Securities Premium		11,76,00,000	11,76,00,000	9,80,00,000
<b>Profit &amp; Loss Account</b>				
As per last Balance Sheet	38,43,68,978.5	18,35,45,780		6,25,14,444
Add/(Less): Deferred Tax Assets/Liabilities	(3,63,850)	4,13,286		9,22,362
	38,40,05,128	18,39,59,066		6,34,36,806
Less: Provision for Taxation	(7,82,10,031)	(5,32,52,500)		(2,72,71,948)
	30,57,95,097	13,07,06,566		3,61,64,858
Add: Profit for the year	38,40,95,143	68,98,90,240.9	38,43,68,978	14,73,80,922
<b>Revaluation Reserves</b>		28,06,56,260	28,06,56,260	28,06,56,260
<b>Total ₹</b>		<b>1,09,11,46,501</b>	<b>78,56,25,238</b>	<b>56,52,02,040</b>

### NOTE 3 LONG TERM BORROWING

PARTICULARS		As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>SECURED LOANS</b>				
Other Loans & Advances				
a) Other Secured Loans		42,55,982	4,65,09,566	4,11,33,106
<b>UNSECURED LOANS</b>				
Other Loans & Advances				
a) Others		35,920	1,770	5,32,49,024
<b>Total ₹</b>		<b>42,91,902</b>	<b>4,65,11,336</b>	<b>9,43,82,130</b>

### NOTE 4 TRADE PAYABLES

PARTICULARS		As at 31 March, 2018	As at 31 March, 2017	(Amount in ₹) As at 1 April, 2016
Micro,Small and Medium Enterprises		-	-	-
Others		26,55,36,451	29,14,33,901	17,42,58,873
<b>Total ₹</b>		<b>26,55,36,451</b>	<b>29,14,33,901</b>	<b>17,42,58,873</b>

## NOTES ON FINANCIAL STATEMENT for the year ended 31st March, 2018

### NOTE 5 OTHER CURRENT LIABILITIES

(Amount in ₹)

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Other Liabilities	25,56,119	-	58,390
Unclaimed Dividend	6,01,571	6,01,601	6,01,601
Statutory Dues	5,92,731	31,08,019	16,03,026
<b>Total ₹</b>	<b>37,50,421</b>	<b>37,09,620</b>	<b>22,63,017</b>

### NOTE 6 SHORT TERM PROVISIONS

(Amount in ₹)

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Provision For Income Tax Previous Year	-	-	10,64,320
Provision For Income Tax	7,82,10,031	4,71,77,848	2,72,71,948
<b>Total ₹</b>	<b>7,82,10,031</b>	<b>4,71,77,848</b>	<b>283,36,268</b>

### NOTE 7

#### PROPERTY, PLANT AND EQUIPMENT (AT COST)

(Amount in ₹)

Particulars	Cost as at 01/04/2017	Addition	Balance as on 31/03/2018	Up to 01/04/2017	For the year	Up to 31/03/2018	As on 31/03/2018	As on 31/03/2017
Building - Non Plant	3,21,76,620	-	3,21,76,620	27,22,009	5,06,998	32,29,006	2,89,47,614	2,94,54,611
Building - Plant	9,77,43,800	4800	9,77,48,600	1,10,06,359	30,92,394	1,40,98,753	8,36,49,847	8,67,37,441
Factory & Office Equipment	28,85,465	23,86,654	52,72,119	2,85,688	5,83,665	8,69,353	44,02,766	25,99,777
Furniture, Fixture & Fittings	1,44,64,359	52,99,672	1,97,64,031	3,67,297	14,62,270	18,29,567	1,79,34,464	1,40,97,062
Land(Lease Hold)	15,47,08,800		15,47,08,800	13,014	-	13,014	15,46,95,786	15,46,95,786
Laptop	2,66,108	4,98,646	7,64,754	76,528	1,97,531	2,74,059	4,90,696	1,89,581
Plant & Machinery	13,90,04,731	4,22,77,957	18,12,82,688	3,97,57,933	1,07,71,385	5,05,29,318	13,07,53,370	9,92,46,798
Vehicles	89,11,312	6,07,333	95,18,645	12,77,311	11,12,624	23,89,935	71,28,710	76,34,001
<b>TOTAL ₹</b>	<b>45,01,61,196</b>	<b>5,10,75,062</b>	<b>50,12,36,258</b>	<b>5,55,06,139.72</b>	<b>1,77,26,865.69</b>	<b>7,32,33,005.41</b>	<b>42,80,03,252.3</b>	<b>39,46,55,056</b>

(Amount in ₹)

Particulars	Cost as at 01/04/2016	Addition	Balance as on 31/03/2017	Up to 01/04/2016	For the year	Up to 31/03/2017	As on 31/03/2017	As on 31/03/2016
Building - Non Plant	3,21,76,620.00	-	3,21,76,620.00	22,14,314.40	5,07,694.30	27,22,008.70	2,94,54,611.30	2,99,62,305.60
Building - Plant	9,77,43,800.00	-	9,77,43,800.00	79,12,126.08	30,94,233.24	1,10,06,359.32	8,67,37,440.68	8,98,31,673.92
Factory & Office Equipment	2,64,349.00	26,21,116.00	28,85,465.00	2,45,561.69	40,126.59	2,85,688.28	25,99,776.72	18,787.31
Furniture, Fixture & Fittings	4,08,254.00	1,40,56,105.25	1,44,64,359.25	1,53,622.56	2,13,674.85	3,67,297.41	1,40,97,061.84	2,54,631.44
Land(Lease Hold)	15,47,08,800.00	-	15,47,08,800.00	13,014.00	-	13,014.00	15,46,95,786.00	15,46,95,786.00
Laptop	26,750.00	2,39,358.38	2,66,108.38	26,750.00	49,777.70	76,527.70	1,89,580.68	-
Plant & Machinery	11,50,00,000.00	2,40,04,731.40	13,90,04,731.40	3,17,07,151.85	80,50,781.48	3,97,57,933.33	9,92,46,798.07	8,32,92,848.15
Vehicles	7,34,315.00	81,76,997.00	89,11,312.00	2,62,165.14	10,15,145.84	12,77,310.98	76,34,001.02	4,72,149.86
<b>TOTAL ₹</b>	<b>40,10,62,888.00</b>	<b>4,90,98,308.03</b>	<b>45,01,61,196.03</b>	<b>4,25,34,705.72</b>	<b>1,29,71,434.00</b>	<b>5,55,06,139.72</b>	<b>39,46,55,056.00</b>	<b>35,85,28,182.28</b>

## NOTES ON FINANCIAL STATEMENT for the year ended 31st March, 2018

### TANGIBLE FIXED ASSETS (AT COST)

Particulars	Gross Block			Depreciation			Net Block	
	Cost As at 01/04/2015	Additions	As at 31.03.2016	Up to 01.04.2015	For the year	Up to 31.03.2016	As on 31.03.2016	As on 31.03.2015
Building - Non Plant	3,21,76,620	-	3,21,76,620	17,05,924	5,08,391	22,14,314	2,99,62,306	3,04,70,696
Building - Plant	9,77,43,800	-	9,77,43,800	48,13,648	30,98,478	79,12,126	8,98,31,674	9,29,30,152
Factory & Office Equipment	2,64,349	-	2,64,349	2,28,828	16,733	2,45,562	18,787	35,521
Furniture, Fixture & Fittings	4,08,254	-	4,08,254	1,14,838	38,784	1,53,623	2,54,631	2,93,416
Laptop	26,750		26,750	19,440	7,310	26,750	-	7,310
Plant & Machinery	11,50,00,000	-	11,50,00,000	2,44,27,652	72,79,500	3,17,07,152	8,32,92,848	9,05,72,348
Vehicles	6,70,232	64,083	7,34,315	1,78,707	83,458	2,62,165	4,72,150	4,91,525
Land	15,47,08,800	-	15,47,08,800	13,014	-	13,014	15,46,95,786	15,46,95,786
<b>Total</b>	<b>40,09,98,805</b>	<b>64,083</b>	<b>40,10,62,888</b>	<b>3,15,02,051</b>	<b>1,10,32,655</b>	<b>4,25,34,706</b>	<b>35,85,28,182</b>	<b>36,94,96,754</b>

### NOTE 8 LONG TERM LOANS AND ADVANCES

PARTICULARS	(Amount in ₹)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Other Loans & Advances	1,78,474	1,76,124	-
<b>Total ₹</b>	<b>1,78,474</b>	<b>1,76,124</b>	<b>-</b>

### NOTE 9 OTHER NON CURRENT ASSETS

PARTICULARS	(Amount in ₹)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unamortized Expenses	13,26,82,724	2,72,584	3,63,443
<b>Total ₹</b>	<b>13,26,82,724</b>	<b>2,72,584</b>	<b>3,63,443</b>

### NOTE 10 CURRENT INVESTMENT

PARTICULARS	(Amount in ₹)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Others Current Investment	5,42,97,254	1,00,00,000	-
<b>Total ₹</b>	<b>5,42,97,254</b>	<b>1,00,00,000</b>	<b>-</b>

### NOTE 11 INVENTORIES

PARTICULARS	(Amount in ₹)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(As per inventory certified & valued by the management)			
Raw Materials including Stores & Spares	24,20,86,920	18,52,25,360	13,43,99,834
<b>Total ₹</b>	<b>24,20,86,920</b>	<b>18,52,25,360</b>	<b>13,43,99,834</b>

### NOTE 12 TRADE RECEIVABLES

PARTICULARS	(Amount in ₹)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Outstanding for more than 6 months from the due date	1,02,30,096	92,75,864	30,61,614
Outstanding for less than 6 months from the due date	23,34,64,380	27,96,94,027	13,95,88,890
<b>Total ₹</b>	<b>24,36,94,476</b>	<b>28,89,69,891</b>	<b>14,26,50,504</b>

**NOTES ON FINANCIAL STATEMENT** for the year ended 31st March, 2018

**NOTE 13 CASH AND CASH EQUIVALENTS**

(Amount in ₹)

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Balance with Banks in Current Accounts:	4,58,90,150	5,35,25,685	6,30,01,012
Cash on Hand	4,27,584	5,75,139	24,11,551
<b>Total ₹</b>	<b>4,63,17,734</b>	<b>5,41,00,824</b>	<b>6,54,12,563</b>

**NOTE 14 SHORT TERM LOANS & ADVANCES AND DEPOSITS**

(Amount in ₹)

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Others Loans & Advances Recoverable	29,82,56,073	33,70,13,448	26,17,48,932
<b>Total ₹</b>	<b>29,82,56,073</b>	<b>33,70,13,448</b>	<b>26,17,48,932</b>

**NOTE 15 REVENUE FROM OPERATIONS**

(Amount in ₹)

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017
Sale of products	1,75,91,68,447	1,60,17,09,248
Other Operating Revenues	1,89,81,404	13,15,83,150
<b>Total ₹</b>	<b>1,77,81,49,851</b>	<b>1,73,32,92,398</b>

**NOTE 15.1 PARTICULARS OF SALE OF PRODUCTS**

(Amount in ₹)

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017
Local Sales (A)	1,69,42,04,983	1,47,19,25,582
Exports sales - Including Deemed Export "H" Form (B)	6,49,63,464	12,97,83,666
<b>Total ₹ (A)+(B)</b>	<b>1,75,91,68,447</b>	<b>1,60,17,09,248</b>

**NOTE 16 OTHER INCOME**

(Amount in ₹)

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017
Discount Recd	1,37,15,450	15,53,975
Rent received	2,33,303	3,13,591
Interest Recd	50,34,127	79,13,966
Exchange Rate Fluctuation	6,84,796	12,27,284
Scrap Sale	8,41,452	-
Duty Drawback	12,53,420	-
Income from Investments as per IND AS	89,989	-
<b>Total ₹</b>	<b>2,18,52,535</b>	<b>1,10,08,816</b>

**NOTE 17 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE**

(Amount in ₹)

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017
Opening Balance	18,52,25,360	13,43,99,834
Less : Closing Stock	(24,20,86,920)	(18,52,25,360)
<b>Total ₹</b>	<b>(5,68,61,560)</b>	<b>(5,08,25,526)</b>

## NOTES ON FINANCIAL STATEMENT for the year ended 31st March, 2018

### NOTE 18 EMPLOYEES BENEFITS EXPENSES

PARTICULARS	(Amount in ₹)	
	As at 31 March, 2018	As at 31 March, 2017
Salaries & Wages	6,51,17,434	6,45,00,056
Staff Welfare	23,98,117	21,02,939
<b>Total ₹</b>	<b>6,75,15,551</b>	<b>6,66,02,995</b>

### NOTE 19 FINANCE COSTS

PARTICULARS	(Amount in ₹)	
	As at 31 March, 2018	As at 31 March, 2017
Bank Charges	17,07,007	30,62,148
Interest on other Loan	4,42,291	25,09,594
Listing fees	6,94,516	5,62,617
License Charges	-	-
<b>Total ₹</b>	<b>28,43,814</b>	<b>61,34,359</b>

### NOTE 20 OTHER EXPENSES

PARTICULARS	(Amount in ₹)	
	As at 31 March, 2018	As at 31 March, 2017
Discount Allowed	9,38,048	83,67,201
Electricity & Water	7,25,33,541	7,90,01,114
Stores & Spares, Other Factory Expenses	9,67,450	63,33,589
Repairs & Maintenance	49,78,530	42,96,480
Fees, Subscriptions & Rates	48,650	1,90,550
Insurance	19,50,853	21,74,283
Interest on Delayed Payments of Statutory Dues	65,82,917	2,59,087
Printing & Stationery	7,60,021	9,83,250
Postage, Telephone & Telex	9,32,003	11,66,703
Travelling & Conveyance	16,66,756	32,61,896
Advertisement & Publicity	2,37,424	3,00,955
Legal & Professional Charges	55,22,973	1,45,55,600
Auditors Remuneration	1,50,000	65,000
Transport & Handling	1,16,27,690	3,84,97,238
Commissions Paid	8,45,860	-
Office Expenses	6,90,259	7,32,534
Exchange Rate Fluctuation	-	-
Labour Charges	3,37,44,375	3,79,74,266
Security Charges	29,55,461	22,89,420
Licensing Fees	-	-
Selling & Distribution Costs	2,91,724	2,88,222
Directors Fees	-	-
Exhibition Charges	-	-
Miscellaneous Expenses W/off	-	-
Registration / License Fees	2,00,682	98,700
AMC Charges	2,92,000	2,04,530
Computer Expenses	97,182	64,559
Petrol & Diesel Exp	31,32,433	38,14,730

## NOTES ON FINANCIAL STATEMENT for the year ended 31st March, 2018

### NOTE 20 OTHER EXPENSES (contd.)

(Amount in ₹)

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017
Donation	1,05,733	2,57,412
Guest House Expenses	26,116	2,34,170
Loading & Unloading Charges	24,10,389	56,34,799
Motor Car Exps	2,78,108	6,30,972
Preliminary Expenses W/off	90,860	90,860
Service Charges	1,10,365	2,97,920
Tea & Food Exp.	-	-
Provision for Corporate Social Responsibility	-	15,61,787
Profession Tax Expenses	37,600	-
Rate Difference	-	12,00,000
Rent Paid	49,23,640	50,58,680
Foreign Travel Expenses	-	31,45,249
Penalty on Taxes	17,200	1,56,784
Service Tax on Various Services	2,10,117	6,38,406
VAT Reduction	-	-
Short Provision for Income Tax for the Asst. Year. 2017-18	39,94,229	-
Sundry Expenses	7,90,187	14,89,004
Packing & Forwarding	35,58,569	4,93,880
Excise Duty	-	-
Customs Duty	-	-
Detention Charges	1,73,491	-
Octroi Paid	-	-
<b>Total ₹</b>	<b>16,78,73,436</b>	<b>22,58,09,830</b>

### Note No 21. GENERAL INFORMATION

Kesar Petroproducts Limited is a Public Limited Company incorporated on 01st January 1990 for manufacturing Organic Chemicals, Bisphenol-A and is an ongoing concern since then.

#### A. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

##### (a) Statement of Compliance

The shares of the company are listed on Bombay Stock Exchange(BSE).

The Company's financial statements complies in all material aspects with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013 (the Act).

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

These financial statements are the first financial statements of the Company under Ind AS. Refer Note no 41 for an explanation on how the transition from previous GAAP to IndAS has affected the Company's financial position, financial performance and cash flows.

Dates for Ind AS conversion:

Opening Balance sheet as on	01.04.2016
Previous year	2016-17
Full Ind AS Financials	2017-18

## NOTES ON FINANCIAL STATEMENT for the year ended 31st March, 2018

### Note No 21. GENERAL INFORMATION (contd.)

#### (b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items :

Item	Measurement
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Present value of defined benefit obligations

#### (c) Use of estimates and judgments

Preparation of these financial statements is in conformity with IndAS. It requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize. Estimates include the useful lives of property plant and equipment and intangible fixed assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, fair value measurement etc.

#### (d) Measurement of fair values

Accounting Policies and disclosures requires measurement of fair values for both financial and non-financial assets and liabilities. Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date.
- Level 2 inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

#### Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 modified in accordance with the requirements of Ind AS. The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the financial statements are presented in Indian Rupees.

## B SIGNIFICANT ACCOUNTING POLICIES

### B1 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

#### Sale of goods

Revenue from the sale of goods is recognized when the goods are dispatched and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

## **NOTES ON FINANCIAL STATEMENT** for the year ended 31st March, 2018

### **Note No 21. GENERAL INFORMATION (contd.)**

- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **Rendering of services**

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold.

#### **Dividend and interest income**

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

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### **B2 PROPERTY, PLANT AND EQUIPMENT (PPE)**

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act.

Depreciation of an asset begins when it is available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that it is classified as held for sale) in accordance with Ind AS 105 and the date that the asset is de-recognized. Therefore depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

However under usage methods of depreciation the depreciation charge can be zero while there is no production.

Depreciation on additions/ deductions is calculated pro-rata from/ to the month of additions/ deductions.

An item of property, plant and equipment is derecognized upon disposal. Any gain or loss arising on the disposal of an item of property plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis

### **B3 INTANGIBLE ASSETS**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful

## NOTES ON FINANCIAL STATEMENT for the year ended 31st March, 2018

### Note No 21. GENERAL INFORMATION (contd.)

lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### B4 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The carrying amount of assets are reviewed at each Balance Sheet date, to assess , if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the assets exceeds the recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

#### B5 INVENTORIES :

Inventories are valued at the lower of cost, determined on the weighted average basis and Net Realisable Value (NRV).

The cost of Finished Goods and Work in Progress comprises raw material, direct labour, other direct cost and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of Inventories also include all the cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated cost necessary to make the sale.

#### B6 FOREIGN CURRENCY TRANSACTIONS :

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies)are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

Foreign currency derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

#### B7 EMPLOYEES BENEFITS :

Company's contributions paid/ payable during the year to Provident Fund and Employees' State Insurance Corporation (ESIC) are recognized in the Profit & Loss Account; Provident Fund contributions are made to a Trust administered by the company. The interest rate payable to the members of this trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the company. The remaining contributions are made to a Government Administered Employee Pension Fund towards which the company has no further obligations beyond its monthly contributions.

Defined benefits and other long term employee benefits are provided on the basis of actuarial valuation made at the end of each financial year. Actuarial gain or losses arising from such valuation are charged to Other Comprehensive Income in the year in which they arise.

#### B8 RESEARCH & DEVELOPMENT EXPENDITURE

Expenditure on research activities is recognized as an expense in the period in which it is incurred where no internally generated asset can be recognized.

## **NOTES ON FINANCIAL STATEMENT** for the year ended 31st March, 2018

### **Note No 21. GENERAL INFORMATION (contd.)**

#### **B9 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

##### **Financial Assets**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

Investments in debt instruments that meet the following conditions are subsequently measured at amortized cost (unless the same are designated as fair value through profit or loss (FVTPL)):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at FVTPL are a residual category for debt instruments and all changes are recognized in profit or loss.

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income (OCI) for equity instruments which are not held for trading.

Interest income, dividend income and exchange difference (on debt instrument) on Fair Value Through Other Comprehensive Income (FVTOCI) debt instruments is recognized in profit or loss and other changes in fair value are recognized in OCI and accumulated in other equity. On disposal of debt instruments FVTOCI the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

##### **Financial Liabilities and Equity Instruments**

###### **Classification as debt or equity**

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

###### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

###### **Financial liabilities**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance Costs' Line item.

## NOTES ON FINANCIAL STATEMENT for the year ended 31st March, 2018

### Note No 21. GENERAL INFORMATION (contd.)

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

- a. Loans and borrowings are subsequently measured at amortized costs using Effective Interest Rate method.
- b. Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value.
- c. Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.
- d. Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.
- e. Other Secured Loans from M/s Malvika Harbopharma (P) Ltd are secured by 1st charge all the Fixed Assets including the Housing Colony.
- f. Disclosure regarding parties and transactions as required by Ind AS-24 issued by the Institute of Chartered Accountants of India are as under:

#### A. Name of Related Party and Their Relationship

a. Associate Company	Nil
b. Directors	1. Shri Nazirsaheb M Sayed 2. Shri Mohit Kaushik 3. Shri Sunil Sawant 4. Smt. Snehlata Sharma 5. Shruti Sharma
c. Relatives of Key Managerial Personnel	1. Manali More- Chief Financial Officer. 2. P M Nair -Company Secretary & compliance Officer

#### B. Transactions with Related Party

S.No.	Related Party	Designation	Amount Paid p.a. (₹)
1.	Mohit Kaushik	Executive Director- Remuneration	3,10,000
2.	Manali More	Chief Financial Officer-Remuneration	6,12,000
3.	P.M.Nair	Company Secretary	1,20,000

#### B10 Impairment of financial assets (Expected Credit Loss Model)

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees not designated at FVTPL

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e.. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument, through the expected life of the financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the life-time expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk has not increased significantly, the Company measures the loss allowance at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the life-time cash shortfalls that will result if the default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

## **NOTES ON FINANCIAL STATEMENT** for the year ended 31st March, 2018

### **Note No 21. GENERAL INFORMATION (contd.)**

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of a change in the amount of the expected credit loss. To achieve that, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

### **B11 PROVISIONS**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### **B12 Warranties**

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise- being typically six months to one year.

### **B13 CURRENT AND NON CURRENT CLASSIFICATION**

#### **Current Asset:**

An asset shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded.
- (c) It is expected to be realized within twelve months after the reporting date, or
- (d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

#### **Current Liabilities:**

A liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date: or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities shall be classified as non-current.

## NOTES ON FINANCIAL STATEMENT for the year ended 31st March, 2018

### Note No 21. GENERAL INFORMATION (contd.)

#### B14 DEFERRED TAX & CURRENT TAX

##### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

##### Current and deferred tax for the year

The income tax expense or credit for the year is the tax payable on current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

#### B15 EARNINGS PER SHARE (EPS)

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

Computation of Basic & Diluted EPS	2017-18	2016-17
a. Profit/(Loss) after Tax as per P&L A/c	30,55,21,262	20,08,23,198
b. Number of Equity Shares	9,66,73,170	9,66,73,170
c. Basic EPS	3.16	2.08
d. Diluted EPS	3.16	2.08
e. Face Value per Equity Share	1	1

#### C Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit/(loss) is adjusted for the effects of:

- (a) transactions of a non-cash nature;
- (b) any deferrals or accruals of past or future operating cash receipts or payments and,
- (c) All other items of income or expense associated with investing or financing cash flows.

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## **NOTES ON FINANCIAL STATEMENT** for the year ended 31st March, 2018

### **Note No 21. GENERAL INFORMATION (contd.)**

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

#### **D FIRST TIME ADOPTION**

The Company has prepared opening balance sheet as per Ind AS of April 1, 2016 (transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS required under IndAS and applying IndAS in measurement of recognized assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below:

- a) The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 01 April 2016 (transition date).
- b) The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.
- c) The Company has opted to continue with the carrying value for all of its PPE as recognized in its previous GAAP financial as deemed cost at the transition date.



## KESAR PETROPRODUCTS LIMITED

Registered Office: D-7/1, M.I.D.C., Lote Parshuram, Taluka – Khed, District – Ratnagiri – 415722  
CIN: L23209PN1990PLC054829

### ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

I, hereby record my attendance at the 28th Annual General Meeting to be held on Friday 28th September, 2018 at 11.00 A.M. at the Registered Office of the Company at D-7/1, M.I.D.C., Lote Parshuram, Taluka – Khed, District – Ratnagiri – 415722.

*DP ID :		**FOLIO NO:	
*CLIENT ID :			
Name And Address Of Member / Proxy Holder			
Number of shares held:			

\*To be filled by Shareholders holding shares in dematerialised form.

\*\*To be filled by shareholder holding shares in physical form.

I certify that I am a member / proxy / authorized representative for the members of the Company.

SIGNATURE OF THE SHARE HOLDER OR PROXY:\_\_\_\_\_







## KESAR PETROPRODUCTS LIMITED

Registered Office: D-7/1, M.I.D.C., Lote Parshuram, Taluka – Khed, District – Ratnagiri – 415722  
CIN: L23209PN1990PLC054829

### FORM NO. MGT – 11 PROXY FORM

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

CIN:	L23209PN1990PLC054829
Name of the Company:	<b>KESAR PETROPRODUCTS LIMITED</b>
Registered Office:	D-7/1, M.I.D.C., Lote Parshuram, Taluka – Khed, District – Ratnagiri – 415722.
Name of the member(s)	
Registered address	
Email ID:	
Folio No /	
Client ID / DP ID:	

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

1.	Name	
	Address	
	Email Id	Or failing him / her
	Signature	
2.	Name	
	Address	
	Email Id	Or failing him / her
	Signature	
3.	Name	
	Address	
	Email Id	Or failing him / her
	Signature	

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting to be held on Friday 28th September, 2018 at 11.00 A.M. at the Registered Office of the Company at D-7/1, M.I.D.C., Lote Parshuram, Taluka – Khed, District – Ratnagiri – 415722 and at any adjournment thereof in respect of such resolutions as indicated below:



Sr. No.	Resolution	For	Against
	<b>Ordinary Business:</b>		
1.	Adoption of Audited Financial Statement for the year ended 31st March, 2018 along with report of Board and Auditors thereon.		
2	To appoint a Director in place of Mrs. Snehlata D. Sharma, who retires by rotation and being eligible offers herself for re-appointment.		
	<b>Special Business:</b>		
3	To approve to provide loan, guarantee or security or investment as per Section 186 of the Companies Act, 2013.		

Affix  
revenue  
stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

\_\_\_\_\_  
Signature of member

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

**NOTE:** The Proxy Form in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company not less than 48 before the commencement of the Annual General Meeting.

A  PRODUCT  
[www.aegean.com](http://www.aegean.com)



**Kesar Petroproducts Limited**

Registered Office: D 7/1, MIDC Industrial Area,  
Lote Parshuram, Taluka Khed, District Ratnagiri, Maharashtra, India