



KESAR ENTERPRISES LTD.

Regd. Off.: Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai-400 020. India.
Tel. : 2204 2396, 2285 1737 Fax : 91-22-22876162
E-mail : headoffice@kesarindia.com Website : www.kesarindia.com

Mr. Hari K.
Assistant Vice President
Listing Department,
National Stock Exchange of India Ltd.
5th Floor, Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

3rd March, 2011

Fax # : 2659 8237 / 2659 8238

Dear Sir,

Sub : Consent of Members under section 293(1)(a) of the Companies Act, 1956 through Postal Ballot to mortgage / charge the fixed assets of the Company.

We refer to our letter dated 18.1.2011 on the captioned subject. We enclose herewith a copy of Result of Postal Ballot alongwith a copy of Notice issued by the Company to its Members pursuant to section 192A of the Companies Act, 1956 and have to inform you that the said resolution have been approved by the Shareholders with the Requisite Majority.

You are requested to put this letter on your notice Board for information of your Members and the shareholders of the Company.

Thanking you,

Yours faithfully,
For KESAR ENTERPRISES LTD.

for S.U.

**D. J. SHAH
VICE PRESIDENT (LEGAL)
& COMPANY SECRETARY**



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RESULT OF POSTAL BALLOT

Result of the voting conducted through Postal Ballot on the Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, relating to Mortgage and/or Charge on the assets of the Company in favour of IDBI Trusteeship Services Ltd on behalf of the Lender / the Lenders to secure their term loans.

Sr. No.	Particulars	Ordinary Resolution No. of postal ballot forms	No. of shares	% of Holding
1.	Total postal ballot forms received	187	3699382	100.00
2.	Less: Invalid postal ballot forms	6	1114	0.030
3.	Net valid postal ballot forms	181	3698268	99.970
4.	Postal ballot forms with assent	158	3693783	99.849
5.	Postal ballot forms with dissent	16	985	0.027
6.	Not voted for Resolution	7	3500	0.094

Ordinary Resolution has been passed by the Shareholders by Majority.

Place : Mumbai
Date : 3.3.2011

For Kesar Enterprises Ltd.

Chairman & Managing Director



KESAR ENTERPRISES LTD.

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

POSTAL BALLOT NOTICE

Pursuant to Section 192A of the Companies Act, 1956

To the Shareholders

NOTICE is hereby given that the following Resolution is circulated for approval of the Shareholders of the Company to be accorded through Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 (including any statutory modification or re-enactment thereof for the time being in force):

SPECIAL BUSINESS :

Creation of Charge.

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

"RESOLVED THAT in continuation of and in addition to the Resolution passed through Postal Ballot on 31.1.2008 and in pursuance of the provisions of Section 293(1)(a) and all other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force) of the Companies Act, 1956 ("the Act"), consent of the Shareholders of the Company be and is hereby granted to the Board of Directors of the Company (herein referred to as "the Board", which term shall be deemed to include any Committee of the Board constituted / to be constituted to exercise its powers, including the powers conferred by this Resolution) to create mortgage(s) and / or charge(s) and / or hypothecation(s) in addition to the mortgage(s) and / or charge(s) and / or hypothecation(s) already created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and / or immovable properties and assets of all kinds of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company in favour of the Financial Institution(s) / Bank(s)/ Lender(s)/ Agent(s) and Trust(s)/ Trustee(s) for securing the borrowings availed / to be availed by the Company, by way of loan(s) (in rupee and/or foreign currency) and securities (comprising fully / partly Convertible Bonds/ Debentures/ warrants/ Non Convertible Debentures or other debt instruments) issued/ to be issued by the Company from time to time, subject to the limits approved under Section 293(1)(d) of the Act, together with interest, premium (if any) on redemption, all other costs, charges and expenses and all other monies payable by the Company in terms of the Loan Agreement(s)/ Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into/ to be entered into between the Company and the Lender(s)/ Agent(s) and Trust(s)/ Trustee(s), in respect of the said loans/ borrowings/ bonds/ debentures/ warrants containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/ Agent(s) and Trust(s)/ Trustee(s)."

"RESOLVED FURTHER THAT for the purpose aforesaid, the Board and/or its duly constituted Committee be and are hereby authorized to finalise and execute such documents/ deeds/ writings/ papers/ agreements as may be required and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

Registered Office:

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

By Order of the Board

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

23rd December, 2010

Notes :

1. The relative Explanatory Statement pursuant to Sections 173(2) and 192A(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
2. The Board of Directors at its meeting held on 23.12.2010 has appointed Ms. Ragini Chokshi of M/s. Ragini Chokshi & Co. as the Scrutinizer to receive and scrutinize the completed Ballot Papers from the Members. The Postal Ballot Form and the self addressed business reply envelope are enclosed for use of the Members.
3. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed with the assent (for) or dissent (against), in the attached pre-paid envelope, so as to reach the Scrutinizer on or before 25.2.2011 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny and the results of postal ballot will be announced on 3.3.2011 at the Registered Office of the Company at 5:00 p.m.
4. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays 11.00 a.m. and 1.00 p.m. upto to 25.2.2011.

Explanatory Statement and reasons for proposing the Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956:

Your approval was obtained earlier in 2008 under Section 293(1)(a) of the Companies Act, 1956 for creating charge in favour of (i) IDBI Trusteeship Services Limited (ITSL), acting as Security Trustee of Allahabad Bank to secure its Term Loans of Rs.75.41 crore [i.e. Term Loan-1 Take-over of YES Bank Loan of Rs.18.64 crore - since repaid]; Term Loan-2 Expansion of Storage Division at Kandla of Rs.12 crore [charge / mortgage being transferred to Kesar Terminals & Infrastructure Ltd. as per Court sanctioned Scheme of Arrangement for Demerger]; Term Loan-4 Co-gen Power Plant of Rs.40 crore & Term Loan-5 Modernisation of Sugar Plant of Rs.4.77 crore]; and (ii) Government of India acting through IFCI Ltd. as its agent and / or ITSL acting as agent to secure the loan of Rs.32.73 crore from Sugar

(ii) Government of India acting through IFCI Ltd. as its agent and / or ITSL acting as agent to secure the loan of Rs.32.73 crore from Sugar Development Fund (SDF) by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies act, 1956, read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

Your approval was also obtained at the Extraordinary General Meeting held on 20.6.2006 under Section 293(1)(d) to borrow from time to time upto Rs.500 crore.

Thereafter, the Company has revised / taken additional Term Loans and is also availing Cash Credit Facilities from the various Banks and Financial Institutions as mentioned as under:

Sr No	Banks / Financial Institution	Facility	₹ in crore	Security Offered	
				Primary	Collateral
1.	Allahabad Bank	Cash Credit Facility - Pledge	50.30	Pledge of sugar bags	2 nd pari passu mortgage / hypothecation charge on the fixed assets of Company's Sugar and Spirits (Distillery) Division.
2.	Allahabad Bank	Cash Credit Facility - Hypothecation (Spirits Division)	8.00	1 st hypothecation charge over all the current assets of Company's Sugar & Spirits (Distillery) Division (except sugar bags pledged to be pledged)	2 nd pari passu mortgage / hypothecation charge on the fixed assets of Company's Sugar and Spirits (Distillery) Division.
3.	Allahabad Bank	Cash Credit Facility - Hypothecation (Seed Division)	8.00	1 st hypothecation charge over all the current assets of company's Seed Division	2 nd pari passu mortgage / hypothecation charge on the fixed assets of Company's Sugar and Spirits (Distillery) Division.
4.	Uttar Pradesh Co-operative Bank Ltd.	Cash Credit Facility - Pledge	180.00	Pledge of sugar bags	2 nd pari passu mortgage / hypothecation charge on the fixed assets of Company's Sugar and Spirits (Distillery) Division.
5	Allahabad Bank	Term Loan-4 Co-gen Power Plant	40.00	1 st pari passu charge on the fixed assets & current assets of Power Division of the Company at Village Baheri, U.P.	2 nd pari passu hypothecation charge on the current assets of Company's Sugar and Spirits (Distillery) Division.
6	Allahabad Bank	Term Loan-5 Modernisation of Sugar Plant	4.77	1 st pari passu mortgage / hypothecation charge on the fixed assets of Company's Sugar Division.	2 nd pari passu mortgage / hypothecation charge on the fixed assets of Company's Sugar and Spirits (Distillery) Division.
7	Allahabad Bank	Term Loan (SEFA 2007)	6.36	Residual charge on the Fixed Assets of the Sugar and Spirits (Distillery) Division of the Company at Baheri	
8	Uttar Pradesh Co-operative Bank Ltd.	Term Loan (SEFA 2007)	8.88	Residual charge on the Fixed Assets of the Sugar and Spirits (Distillery) Division of the Company at Baheri.	
9	Sugar Development Fund, Govt. of India (through IFCI Ltd.)	Term Loan for Co-gen Power Plant	32.73	1 st pari passu charge on the fixed assets & current assets of Sugar & Power Division of the Company at Village Baheri, U.P.	
10	Sugar Development Fund, Govt. of India (through IFCI Ltd.)	Term Loan (Modernisation of plant and machinery for processing of raw sugar)	2.50	1 st pari passu mortgage / hypothecation charge on the fixed assets of Company's Sugar and Spirits (Distillery) Division.	
11	Sugar Development Fund, Govt. of India (through IFCI Ltd.)	Term Loan (Cane Development)	2.50	1 st pari passu mortgage / hypothecation charge on the fixed assets of Company's Sugar and Spirits (Distillery) Division.	
12	Sugar Development Fund, Govt. of India (through IFCI Ltd.)	Term Loan (Modernisation cum Expansion of Crushing Capacity)	4.67	1 st pari passu mortgage / hypothecation charge on the fixed assets of Company's Sugar and Spirits (Distillery) Division.	
13	UCO Bank	Term Loan (Co-generation Power Project)	41.00	1 st pari passu charge on the Fixed assets of Power Division of the Company situated at village Baheri, Dist. Bareilly, U.P.	1 st pari passu charge on the current assets of the Power Division of the Company and 2 nd pari passu charge on the current assets of Sugar and Spirits (Distillery) Division of the Company

The borrowings by a Company, in general, is required to be secured by mortgage or charge on all or any of the movable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of the Company from time to time, in consultation with the Lender(s).

Since creating the aforesaid security, in certain cases is regarded as disposal of whole or substantially the whole of the undertaking(s) of the Company, within the meaning of Section 293(1)(a) of the Companies Act, 1956, it is necessary to obtain approval of shareholders pursuant to Section 293(1)(a) of the Act. Further, Section 192A of the Act read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001, provides that the aforesaid approval is to be compulsorily obtained by way of Postal Ballot. Accordingly, the Resolution is being proposed to seek your approval.

The Board recommends the Ordinary Resolution as set out in the Notice seeking the approval of the Members. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies act, 1956, read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Registered Office:
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By Order of the Board

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

23rd December, 2010

**KESAR ENTERPRISES LTD.**Regd. Office : Oriental House, 7, Jamshedji Tata Road,
Churchgate, Mumbai - 400 020**POSTAL BALLOT FORM**

(To be returned to the Company)

Sr. No. :

(1) Name and Address
of Sole/First Name
of Shareholder :(2) Name of the Jointholder(s),
if any :(3) Registered Folio No. /DPID
No. / Client ID :

(4) No. of Equity Shares held :

I/We hereby exercise my/our vote in respect of the Ordinary Resolution to be passed through postal ballot for the business stated in the Notice of the Company dated 23rd December, 2010 by sending my / our assent or dissent to the said resolution by placing tick (✓) mark at the appropriate box below.

Description	No. of Shares held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 to mortgage / charge the fixed assets of the Company as mentioned in the resolution			

Date :

Place :

Signature of the Shareholder

NOTE: Last date for receipt of Postal Ballot Form by the Scrutinizer is 25.02.2011.

INSTRUCTIONS

1. A Member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Company in the attached self-addressed envelope. Postage will be borne and paid for by the Company. However, envelopes containing Postal Ballots, if sent by courier at the expenses of the registered Member or if deposited in person with the Company will also be accepted.
2. The self-addressed envelope bears the name of the scrutinizer appointed by the Board of Directors of the Company.
3. This form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed by the first named shareholder and in his / her absence, by the next named shareholder (as per the specimen signature registered/recorded with the Company/ DP).
4. In case of shares held by Companies, trusts, societies etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution / Authority to the person voting on the Postal Ballot Form.
5. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on 25th February, 2011. All Postal Ballot Forms received after the above date will be strictly treated as if reply / Postal Ballot from such shareholder has not been received.
6. The right of voting by Postal Ballot shall not be exercised by a proxy.
7. Unsigned or incorrect Postal Ballot Forms will be rejected.
8. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders on the date of the notice of the Postal Ballot.
9. Members are requested not to send any other paper alongwith the Postal Ballot Form in the enclosed self addressed postage pre-paid envelopes, as all such envelopes will be sent to the Scrutinizer. Any extraneous paper found in such envelope would be destroyed by the Scrutinizer and the Company would not be able to act on the same.
10. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final.
11. Assent or dissent to the proposed resolution may be recorded by placing a tick mark (✓) in the appropriate column.
12. The date of declaration of results of the Postal Ballot shall be the date on which the resolution would be deemed to have been passed.
13. There will be one Postal Ballot Form for every Folio/Client ID irrespective of the number of joint holders.
14. A Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the Specified date hereinbefore. Once duplicate Postal Ballot Form is received, the original will be rejected.