



# KESAR ENTERPRISES LIMITED

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

27<sup>th</sup> August, 2021

BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

**Scrip Code: 507180**

Dear Sir,

**Sub: Chairman Speech at 86th Annual General Meeting of the Company.**

Please find attached herewith a copy of the Chairman Speech as delivered at 86th Annual General Meeting of the Company held on Thursday, 26<sup>th</sup> August, 2021 through Video Conference/ Other Audio-Visual Means.

You are requested to kindly take the above information on record.

Thanking you,

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

**Gaurav Sharma**  
**Company Secretary & General Manager (Legal)**

## CHAIRMAN SPEECH (86<sup>TH</sup> AGM)

Dear Members,

Welcome to the 86th Annual General Meeting of the Company. It is a pleasure to connect with all of you again through virtual mode. On behalf of the Board of Directors, I thank you all for taking the time out to join us today. Your continued support and confidence in us, even in uncertain times like these, drive us to look for more ways to do better, and create greater value for you and other stakeholders.

The COVID-19 pandemic, which has now been in existence for almost two years, has impacted the world and every country, business and individual. However, your Company took all necessary steps to ensure that the business operations of the Company remained uninterrupted in these trying times. The Company has been able to achieve this with minimal disruption, with the untiring support of our dedicated employees and of the government authorities. The Plants of the Company were able to run right through the season & did the second highest crushing in the Company's history so far this season.

### **Indian Sugar Industry:**

India's sugar production is expected to rise 13% year on year to 31 million mt in the October 01 2020 - September 30, 2021 marketing year, mainly due to increased cane acreage in the key producing western and southern regions. Sugar demand may cross 260 lakh tonnes in the 2020-21 marketing year as against 253 lakh tonnes in the previous year.

The Indian government's plan to gradually increase ethanol blending in gasoline, as a way to cut pollution and reduce its oil import bill, could be the largest change in the global sugar market since Europe's sugar reform. Sugar mills across the country have contracted orders to supply 302.3 crore litres of ethanol to oil marketing companies (OMCs). This is 70 per cent more than the 178 crore litres supplied in the previous season. According to the Indian Sugar Mills Association (ISMA), 117.72 crore litres of ethanol have already been delivered for the country's ethanol blending programme. Nearly 77 per cent of this quantity was produced from sugarcane juice and B-heavy molasses.

### **Operational performance:**

#### **Sugar Division**

During the season 2020-21, the plant crushed 115.90 lakh quintals of sugarcane as against 124.41 lakh quintals in the previous season. The crushing was lower by 8.51 lakh quintals during the season due to lower cane yield per hectare, as compared to the previous year. Another reason for lower crushing was that Khandsari units ran through their full season unlike last season.

The overall sugar recovery was 11.01% as against 11.55% in the previous season. The fall in recovery was a common phenomenon experienced by all the sugar factories in the State of UP, during this season. Recovery fell also due to a mechanical problem in the plant for 60 days, where the plant had to run at higher losses.

There was no significant increase in sugar price and it has ranged almost in the same pattern of previous year, which is not remunerative. Although the Government had approved increase in Minimum Selling Price (MSP) for sugar, it did not introduce it, resulting into lower realisation.

#### **Power Division**

The Plant consumed 3.20 lakh MT of bagasse and 0.40 lakh MT of alternate fuel to generate 1.61 lakh MW power as against 3.40 lakh MT of bagasse and 0.37 lakh MT of alternate fuel to generate 1.65 lakh MW power in the previous Season.



Total power exported to the grid of Uttar Pradesh Power Corporation Limited (UPPCL) upto 06.06.2021 was 1.09 lakh MW amounting to Rs. 40.97 crores as against 1.08 lakh MW amounting to Rs. 40.50 crores in the previous Season.

### **Spirits Division**

During this year, the Distillery plant was operated under lower capacity of 30 KLPD, as per the guidelines of Pollution Control Board for the whole operational period, under bio-compost mode.

The Company completed supply to OIL Marketing Companies (OMCs), totalling to 41.49 L BL of ethanol till end of May, 2021 as against our committed supply of 60.00 L BL for the Ethanol Year (E/Y) 2020-21 (For the period from December, 2020 to November, 2021). This was against total supply of 47.74 L BL of ethanol during the previous E/Y 2019-20.

### **Financial Performance:**

During the financial year 2020-21, the Company achieved Revenue from Operations of Rs. 54,745.92 lakhs as against Rs. 51,792.49 lakhs in the previous year.

After taking into account the effect of other Comprehensive Income based on Ind-AS norms, there is a profit of Rs. 9,103.02 lakhs for the Financial Year 2020-21 as against a loss of Rs. 290.53 lakhs in the previous year. Increase in profit is mainly attributable to substantial increase in other income arising out of write back of Rs. 5,474.12 lakhs towards Loan amount and Rs.4,818.51 lakhs towards Interest, consequent upon a One Time Settlement (OTS) entered with erstwhile Allahabad Bank (Now, Indian Bank).

### **Outlook for 2021-22:**

*During the Financial Year 2021-22, the sugar price is expected to be steady due to government intervention. This may result into the Company generating better operational margin gradually. The Government may increase MSP for sugar, which is long pending, as there could be an increase in the sugarcane price in the coming season.*

*The Cogen Power Plant is expected to restart in the last week of October, 2021.*

*The Company is also planning to enhance the capacity of the Distillery from 45 KLPD to 125 KLPD. This has been planned to tap the opportunity of producing Ethanol from B Heavy Molasses. Ethanol production will be increased by the Company in two phases. In the first phase, it is expected to be increased to 80 KLPD soon.*

### **Acknowledgements:**

We thank our employees, customers, vendors and members for their continuous support. We also thank the Government of India and the State Government and concerned Government departments and agencies for their co-operation.

Thank you.

Harsh R Kilachand  
Chairman & Managing Director

