



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
CIN : L24116MH1933PLC001996

11th June, 2020

The Corporate Relations Department,
BSE Limited
1st Floor, New Trade Wing,
Rotunda Building, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001

Scrip Code: 507180

Dear Sir / Madam,

Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Impact of Covid-19 on Company's Business Operations

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated 20.05.2020 this is to inform you and all our Stakeholders that the COVID-19 Pandemic and the consequent lock-down restrictions imposed by the Central and State Governments from time to time have impacted the business in general as mentioned hereunder:

1. Impact of COVID-19 Pandemic on the business of the Company:

There has been no material impact, as such, on the business of the Company.

2. Operations of Divisions and Functioning of Offices:

The Company has 3 Divisions viz. Sugar, Spirit and Power situated at Baheri in Uttar Pradesh (UP), and are engaged in manufacturing of Sugar, Rectified Spirit, Ethanol and Power, which are categorized under the Essential Commodities Act, 1955.

Hence, the operations of all the 3 Divisions continued smoothly except minor issues faced during the lock-down period. This was possible due to the sincere & dedicated efforts of the employees and also the continuous support provided by the State Administration.

The Division-wise status of operations is given hereunder:

a) Sugar Factory:

The sugar factory was in operation throughout the lock-down period. The crushing operations at factory came to a halt on 19.05.2020 after crushing of all the available cane. The State Government, especially the Cane Department, helped the Company in arranging all critical items like lime, sulphur, packing materials etc. from other States, without which, the crushing operations would have halted temporarily in the last week of March 2020. Thereafter, restarting of operations would have cost more due to lower crushing of cane and lower recovery of sugar.



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: 2 :

b) Power Plant and Distillery:

Power plant and Distillery were also in operation throughout the lock-down period and its operations have been shut as fuel has exhausted.

3. Steps taken to ensure smooth functioning of operations:

As per the Government advisory, the offices at Mumbai & Delhi were closed during the lock-down period and all the employees worked from home. The office at Delhi has resumed from 01.06.2020, whereas the office at Mumbai has resumed from 08.06.2020 with the minimum required strength as per the Guidelines of the State Government.

The Company has taken adequate steps to comply with all the norms related to social distancing, thermal scanning, wearing of face mask, proper sanitization and hygiene at all its locations to ensure smooth functioning of operations.

4. Estimation of future impact of COVID-19 on its operational results and financial health:

During the lock-down period, all the bulk consumers of sugar had shut down. Hence, there was decline in sugar sales as well as price, which resulted into delay in payment to the sugarcane farmers. The working for the last quarter ended 31.3.2020 and for the 1st quarter ending 30.6.2020 would be affected due to lower sugar sales.

5. Details of impact of COVID-19 on the following:

a. Capital and financial resources:

The Company's capital and financial resources are not being impacted due to COVID-19.

b. Ability to service debt and other financing arrangements:

During lock-down period, sugar sales declined due to very low demand from its commercial users / consumers resulting into lower sales. Also, there was less lifting of ethanol by the Oil Companies. Similarly, the realization from power receivables was adversely affected as the Power Company was not able to pay since about a year due to scarcity of fund with them. All these resulted into less cash flow.

In view of the above, the Company could not pay the last instalment of OTS (One Time Settlement) to Allahabad Bank, which was due on 31.03.2020. However, the Company has sought an extension of time to pay, which is under consideration. Similarly, the Company has also requested Uttar Pradesh Co-operative Bank (UPCB) to grant time to pay its instalment, which was due in May 2020, which is under consideration. In fact, the Central Government has issued directions to all the Banks not to pressurize borrowers for 6 months.

c. Assets:

There is no adverse impact on the Company's Assets due to COVID-19.



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d. Internal financial reporting and control:

Other than above, there was no major impact as the Company has proper internal financial controls in place.

e. Demand for its products / services:

During lock-down period, the demand for sugar was affected specially from Commercial users like soft drink industry, confectioners & sweet manufacturer, hotels & restaurants etc. The demand for ethanol was also less as Oil Companies could not lift due to less consumption of fuel by the actual users. Once the lock-down is lifted, the demand of sugar and ethanol will gradually come to its normal level.

You are requested to take the above on your record for the information of our Stakeholders.

Thanking you,

Yours faithfully,

For KESAR ENTERPRISES LTD.

**D J SHAH
SR. VICE PRESIDENT [LEGAL] &
COMPANY SECRETARY**