



85th Annual Report
2019-20

KESAR ENTERPRISES LIMITED

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KE KESAR ENTERPRISES LIMITED

(Incorporated under the Indian Companies Act VII of 1913)

CIN: L24116MH1933PLC001996

BOARD OF DIRECTORS

H R KILACHAND	Chairman & Managing Director
A S RUIA	Independent Director
M A KUVADIA	Independent Director
BHUMIKA BATRA	Independent Director [From 14.08.2018 to 22.07.2019]
RANJANA SINHA	Independent Director (w.e.f 20.09.2019)

**SR. VICE PRESIDENT [LEGAL] &
COMPANY SECRETARY**

D J SHAH

CHIEF FINANCIAL OFFICER (CFO)

ROHIT BALU

BANKERS

Allahabad Bank
Uttar Pradesh Co-operative Bank Limited
UCO Bank

AUDITORS

M/s. Haribhakti & Co. LLP, Chartered Accountants

**SUGAR FACTORY, SPIRITS AND
POWER PLANT**

Baheri, Dist. Bareilly, U.P.

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENTS

SHAREX DYNAMIC (INDIA) PVT. LTD.
C 101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai - 400 083.

AUDIT COMMITTEE MEMBERS

A S RUIA	Chairman of the Committee Independent Director
M A KUVADIA	Member of the Committee Independent Director
H R KILACHAND	Member of the Committee Chairman & Managing Director
RANJANA SINHA	Member of the Committee Independent Director w.e.f 20.09.2019

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NOTICE

NOTICE is hereby given that the 85th Annual General Meeting of the Members of **KESAR ENTERPRISES LIMITED** will be held on Friday, 11th September, 2020 at 3:30 p.m. through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2020 and Statement of Profit & Loss for the period ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri H R Kilachand [DIN 00294835], who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications or re-enactment(s) thereof for the time being in force), and on the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. V.C. Shah & Co., Chartered Accountants [Firm Registration No. 109818W], be and are hereby appointed as Statutory Auditors of the Company to hold office for a term of five (5) consecutive years, from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the 90th AGM of the Company to be held in the calendar year 2025, at a fee of ₹ 8,50,000 p.a., excluding statutory levies and out-of-pocket expenses, if any.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment(s) thereof, for the time being in force) and as recommended by the Audit Committee and approved by the Board of Directors, the remuneration of ₹ 90,000/- (Rupees Ninety Thousand Only) plus GST as applicable and reimbursement of actual travel and out of pocket expenses to Rishi Mohan Bansal, Cost Accountant, Kanpur (Registration No.000022), to conduct the audit of the Cost Records of the Company relating to Sugar, Industrial Alcohol and Electricity divisions for the year ending 31st March, 2021, be and is hereby ratified.”

“RESOLVED FURTHER THAT Shri D J Shah, Sr. Vice President (Legal) & Company Secretary be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including filing of prescribed forms with the Registrar of Companies.”

5. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment(s) thereof, for the time being in force) and SEBI (LODR) Regulations 2015, as recommended by the Nomination & Remuneration Committee and the Board of Directors, Mrs. Ranjana Sinha (DIN: 06989942) aged 69 years, who was appointed as an Additional Director in the category of an Independent Director by the Board of Directors at their meeting held on 20.09.2019 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing Mrs. Ranjana Sinha as candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for the 1st Term of 5 (five) consecutive years with effect from 20.09.2019 and that she will not be liable to retire by rotation.”

Registered Office:

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

7th August, 2020

By Order of the Board of Directors

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

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue of the AGM shall be the Registered Office of the Company. Detailed instructions for Members to attend the AGM through VC / OAVM are provided in this Notice.
2. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website www.kesarindia.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of Link Intime India Pvt. Ltd. (Agency appointed by the Company for the purpose of remote e-voting, e-voting at AGM and VC/OAVM facility for AGM) i.e. <https://instavote.linkintime.co.in>.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Item No. 3 and the Special Business to be transacted at AGM is annexed to this Notice.
5. In respect of Item No. 2, details required to be given under Regulation 36 of SEBI Listing Regulations and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India form part of Corporate Governance Report. Members may kindly refer to the same.

In respect of Item No. 5, details required to be given under Regulations 26 & 36 of SEBI Listing Regulations and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India form part of the Explanatory Statement annexed to this Notice.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from **Friday, 4th September, 2020 to Friday, 11th September, 2020** (both days inclusive) for the purpose of AGM.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to M/s. Sharex Dynamic (India) Pvt. Ltd., the Company’s Registrar and Transfer Agents in case the shares are held by them in physical form.
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company’s Registrar and Transfer Agents, for assistance in this regard.
9. Members may lodge their shares for transfer / transmission with the office of M/s. Sharex Dynamic (India) Pvt. Ltd., the Registrar and Transfer Agents at their office at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083 or with the Company at its Registered Office.
10. The Unclaimed Dividend upto the Financial Year 2010-11 have been transferred to the Investor Education and Protection Fund set up by the Central Government pursuant to Section 125 of the Companies Act, 2013. The Company has not declared any dividend after the Financial Year 2010-11.

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11. In case of joint holders, only such joint holder whose name appears as the first holder in the order of names as per the Register of Members will be entitled to vote at AGM.
12. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
14. Any person, whose name appears in the Register of Member/ list of Beneficial Owners as on Cut-off date specified in this Notice, shall be entitled to vote by way of voting through remote e-voting or e-voting system at AGM on the items/ Resolutions set forth in this Notice. Process for e-voting is provided in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

The members, who have cast their vote(s) by remote e-voting, may also attend the AGM but shall not be entitled to cast their vote again during the AGM.

The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date.

15. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the Cut-off date may obtain the login ID and password by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022-4918 6000.
16. Ms. Ragini Chokshi, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
17. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the results of voting.
18. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kesarindia.com and on the website of Link Intime India Pvt. Ltd. i.e. <https://instavote.linkintime.co.in> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

19. Instructions for e-voting and attending the AGM through VC/OAVM

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and the provisions of Regulation 44 of the SEBI Listing Regulations, Members are provided with the facility to cast their vote on all items/resolutions set forth in this Notice, through remote e-voting or e-voting during the AGM, at Link Intime India Pvt. Ltd.'s e-voting platform. Members are provided with facility to attend the AGM through VC/OAVM facility provided by Link Intime India Pvt. Ltd.

The remote e-voting period will begin on **Tuesday, 8th September, 2020 (09:00 a.m. IST)** and end on **Thursday, 10th September, 2020 (5.00 p.m. IST)**. During this period, the Shareholders of the Company, holding shares either in physical form or in dematerialized form, **as on Friday, 4th September, 2020 (the cut-off date)**, may cast their vote electronically. The e-Voting module shall be disabled by Link Intime India Pvt. Ltd. (LIPL) for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the AGM.

Detailed Instructions for casting votes through e-voting system and attending the AGM through VC/OAVM are as follows:

Remote e-Voting Instructions for shareholders:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- ▶ Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -

A. User ID: Enter your User ID

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in **CDSL demat account shall provide either ‘C’ or ‘D’, above**
- Shareholders/ members holding shares in **NSDL demat account shall provide ‘D’, above**
- Shareholders/ members holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

- ▶ Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.
4. After successful login, you will be able to see the notification for e-voting. Select ‘**View**’ icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option ‘**Favour / Against**’ (If you wish to view the entire Resolution details, click on the ‘**View Resolution**’ file link).
7. After selecting the desired option i.e. Favour / Against, click on ‘**Submit**’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘**Yes**’, else to change your vote, click on ‘**No**’ and accordingly modify your vote.

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- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

- ▶ Select the "**Company**" and '**Event Date**' and register with your following details: -
 - A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
 - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.:** Enter your mobile number.
 - D. Email ID:** Enter your email id, as recorded with your DP/Company.
- ▶ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at headoffice@kesarindia.com from September 4, 2020 (9:00 a.m. IST) to September 7, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

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Annexure

Guidelines to attend the AGM through InstaMEET

For a smooth experience of viewing the AGM proceedings, shareholders/ members who are registered as speakers at the AGM are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>
or
- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

ANNEXURE TO THE NOTICE

Explanatory Statement as required under Section 102 of the Companies Act, 2013

Item No. 3 – Appointment of Statutory Auditors

The tenure of the present Statutory Auditors of the Company i.e. M/s. Haribhakti & Co. LLP, Chartered Accountants shall come to an end at this AGM. As per Section 139 of the Companies Act, 2013, an audit firm which has completed two terms of five consecutive years as auditors in a Company is not eligible for re-appointment as auditor in the same company for five years from the completion of second term of five years. Therefore, M/s. Haribhakti & Co. LLP are not eligible for being reappointed as Statutory Auditors of the Company at ensuing 85th Annual General Meeting. The Board of Directors have, on recommendation of the Audit Committee, approved the proposal for appointment of M/s. V. C. Shah & Co. (**Firm Registration No. 109818W**) as Statutory Auditors of the Company for a term of five years i.e. from the conclusion of this AGM till the conclusion of the 90th AGM and the same is now being placed before the Shareholders for approval.

Details required in terms of Regulation 36 of SEBI (LODR) Regulations, 2015 in respect of appointment of Statutory Auditors are as follows:

Proposed fee payable to M/s. V. C. Shah & Co. along with terms of appointment	To be appointed for a term of five years at a proposed fee of ₹ 8,50,000/- (Rupees Eight Lakh Fifty Thousand only) per annum, excluding statutory levies and out-of-pocket expenses, if any
Any material change in the fee payable to M/s. V. C. Shah & Co. from that paid to the outgoing auditor along with the rationale for such change, if any	Not Applicable as there is no change in the fee payable to M/s. V. C. Shah & Co. from that paid to the outgoing auditor.
Basis of recommendation for appointment including the details in relation to and credentials of M/s. V. C. Shah & Co.	Basis of recommendation for appointment The Audit Committee and the Board of Directors, have after considering the vast knowledge and experience of M/s. V. C. Shah & Co. in diversified fields such as Accounting, Auditing, Taxation, Company Law matters etc., recommended the appointment of M/s. V. C. Shah & Co. as Statutory Auditors of the Company.

	<p><u>Brief profile & credentials of M/s. V. C. Shah & Co.</u></p> <p>M/s. V.C. Shah & Co (the firm) was established in Year 1969 by Mr. V. C. Shah, one of the current partners of the firm. Currently, the Firm has 5 partners. The Firm provides diversified services such as Audit including Statutory Audit, Internal Audit, Bank Branch Audit, Tax Audit and advising on Business Development and Business Restructuring including amalgamations, merger, demergers, slump sale reconstructions, takeovers and expansion schemes.</p>
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None of the Directors and Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends the Resolution set out at Item No.3 of the Notice for your approval.

Item No. 4 – Ratification of Remuneration to Rishi Mohan Bansal as Cost Auditor

The Board, on the recommendations of the Audit Committee, has approved the appointment and payment of remuneration of ₹ 90,000/- (₹ 75,000/- for previous year) to Rishi Mohan Bansal, Cost Accountant, Kanpur (Regn. No.000022), for conducting cost audit of the cost records of the Company relating to Sugar, Industrial Alcohol and Electricity divisions for the year ending 31st March, 2021.

Pursuant to Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Rishi Mohan Bansal, Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the Shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Resolution as set out at Item No.4 of the Notice for your approval.

Item No. 5 – Appointment of Mrs. Ranjana Sinha as an Independent Director

Mrs. Ranjana Sinha has been appointed as an Additional Director in the category of Independent Director, by the Board of Directors, as recommended by the Nomination & Remuneration Committee, at their meeting held on 20.09.2019. Her term of appointment is upto the date of this meeting. She is 69 years of age.

Pursuant to Section 149 of the Companies Act 2013 and SEBI (LODR) Regulations, 2015 as amended, Mrs. Ranjana Sinha is proposed to be appointed as an Independent Director for the 1st term of 5 (five) consecutive years with effect from 20.09.2019. The approval of shareholders by way of special resolution is being sought, in view of the fact that her age will exceed 75 years during the proposed term of 5 years. Her proposed appointment is justified, considering her vast knowledge and experience.

The Company has received from Mrs. Ranjana Sinha (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) Intimation in Form DIR-8 that she is not disqualified under section 164(2) of the Act in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014; and (iii) Declaration that she meets the criteria of Independence as provided in Section 149(6) of the Act.

In the opinion of the Board, Mrs. Ranjana Sinha fulfils the conditions for her appointment as an Independent Director as specified in the Act and SEBI (LODR) Regulations, 2015 and is independent of the Management, and considering the experience and knowledge, her appointment as Independent Director shall be beneficial to the Company.

As a Non-Executive Independent Director, Mrs. Ranjana Sinha will be entitled to receive sitting fee for attending Board/ Committee meeting(s) as approved by the Board of Directors from time to time. The draft letter of appointment of Mrs. Ranjana Sinha, as an Independent Director setting out the terms and conditions is available for inspection at the Registered Office of the Company, by Members without any fee on all business days (except Saturdays, Sundays and Public Holidays) during 10.00 A.M. to 4.00 P.M. upto the date of this Annual General Meeting. The same is also available on the Company's website viz. www.kesarindia.com.

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Brief resume of Mrs. Ranjana Sinha, nature of her expertise in specific functional areas and names of companies in which she holds Directorship and Membership / Chairmanship of Board Committees, shareholding, relationship between Directors inter-se and other details as required under Secretarial Standard-2 are given below:

1	Name	Smt. Ranjana Sinha
2	Address	13, Yayati, Sec – 58 A, Nerul (W), Palm Beach Road, Navi Mumbai 400 706
3	Date of Birth	18.09.1950
4	Qualification	M.A. with Economics and History; Diploma in Development Economics in emerging economies from University of Sussex, U.K. IAS from Maharashtra Cadre (1975)
5	Occupation	Corporate Director
6	Professional Overview	<ul style="list-style-type: none">• Additional Chief Secretary, Department of Finance & Department of Textiles, Government of Maharashtra (2007-2009);• Principal Secretary, Department of General Administration, Department of Textiles, Human Rights Commission (2001 to 2007);• Secretary to the Government, Department of Health, Department of Home, Department of Finance (1992- 2001);• Director, Maharashtra Energy Development Agency (MEDA) (1990-92);• Deputy Secretary/Director, Ministry of Textiles Government of India (1985- 90).
7	Directorship in Other Companies	Nil
8	Shareholding in the Company	Nil
9	Relationship with other Directors and Key Managerial Personnel	Nil
10	Number of Meetings of the Board attended during the year	<i>Kindly refer to Corporate Governance Report for details</i>
11	Membership/ Chairmanship of Committees of other Boards	<i>Kindly refer to Corporate Governance Report for details</i>

Mrs. Ranjana Sinha is interested in the resolution set out at No.5 of the Notice with regard to her appointment. The relatives of Mrs. Ranjana Sinha may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Special Resolution set out at Item No.5 of the Notice for your approval.

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

7th August, 2020

By Order of the Board of Directors

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

DIRECTORS' REPORT

To
The Shareholders,
Kesar Enterprises Ltd.

Dear Members,

Your Directors present to you the 85th Annual Report and audited Statement of Accounts for the year ended 31st March, 2020.

FINANCIAL RESULTS

	(₹ in Lakh)	
	2019-20	2018-19
Profit / (Loss) before interest, depreciation & taxation	4546.32	2,369.26
Less: Finance Cost	2490.51	4,478.19
Profit / (Loss) before Depreciation & taxation [Cash Profit/(Cash Loss)]	2055.81	(2,108.93)
Less: Depreciation and Amortisation Expense	1826.47	1,913.45
Less: Taxation / Deferred Tax	-	-
Profit / (Loss)	229.34	(4,022.38)
Other Comprehensive Income		
Item that will not be reclassified to profit or loss:		
(i) Actual loss on defined benefit obligation	(51.35)	(41.38)
(ii) Effect of measuring investment at fair value	(468.52)	(673.40)
Net Profit or Loss for the year	(290.53)	(4,737.16)

For the Financial Year 2019-20, there is a profit of ₹ 229.34 lakh as against a loss of ₹ 4022.38 lakh in the previous year. However, after taking into account the effect of other Comprehensive Income based on Ind-AS norms, there is a loss of ₹ 290.53 lakh for the Financial Year 2019-20 as against a loss of ₹ 4,737.16 lakh in the previous year.

Over the last few years, the Sugar Industry has faced severe difficulties on account of high sugar cane prices set by the State Government, lower sugar prices and consequential inadequate recovery of cost of production. These factors have adversely affected the Company's operations and financial performance. Hence, the entire net worth of the Company is eroded and its current liabilities are in excess of current assets.

In view of the above, your Directors have not recommended any dividend for the financial year 2019-20.

WORKING OF THE DIVISIONS

Sugar Division

The crushing for the Season 2019-20 started on 04.11.2019 i.e. 2 days later as compared to 02.11.2018 in the previous season and ended on 19.05.2020 i.e. 15 days later as against 04.05.2019 in the previous season.

During the season, the plant crushed 124.41 lakh quintals of sugarcane in 198 days as against 109.86 lakh quintals in 184 days in the previous season. The crushing was higher by 14.55 lakh quintals during the season due to better average crushing rate per day, additional cane area allotted to us by the State Government, better cane yield achieved and more supply of sugarcane by the farmers due to more timely cane price payment made by us. The overall sugar recovery was 11.55% as against 10.91% in the previous season. This was due to major modifications in the factory carried out last year by us for stable and efficient crushing, cane development programme by changing the varieties into early maturing high sugar canes etc. During the season, the sugar production was 14.37 lakh quintals, the highest in the history of the Company, as against 12.03 lakh quintals in the previous season.

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For the sugar season 2019-20, the Central Government had announced a Fair & Remunerative Price [FRP] of sugarcane at ₹ 275/- a quintal at a base recovery of 10%, with a premium of ₹ 2.75 per quintal for every 0.1% increase above 10% in the final recovery achieved by respective sugar factory. The UP Government had retained the State Advised Price (SAP) of Sugarcane at ₹ 315/- a quintal for normal variety as that in the previous year.

During the last few years, the cost of production in UP was the highest in the country, which rendered the UP Sugar Industry unviable, cash-starved and uncompetitive. There is an urgent need to rationalize the cane pricing policy in UP and adopt a 'linkage formula' as recommended by the Rangarajan Committee linking sugar cane price to sugar realisation. The U P Government had announced the formation of a high level Committee to determine a fair Sugarcane Pricing Policy. This is the only long term solution for stability & viability of the Sugar industry. The report of the High Level Committee is yet to be announced.

During the Season 2019-20, Molasses produced was 5.21 lakh quintals as against 4.78 lakh quintals in the previous season.

The UP Government had announced the Molasses Policy for 2019-20 (November-October), wherein the molasses reservation ratio for the country liquor manufacturers had been increased to 17.00% as against 12.50% in the previous season.

During the year under review, there has been a moderate increase in sugar prices from the levels that prevailed during the previous year, however, the same is yet not remunerative.

Power Division

During the Sugar Season 2019-20, the Plant started on 30.10.2019 as against 29.10.2018 in the previous season and operated till 08.06.2020 due to higher crushing of sugarcane and purchase of additional alternate fuel.

The Plant consumed 3.40 lakh MT of bagasse and 0.37 lakh MT of alternate fuel to generate 1.65 lakh MW power as against 3.01 lakh MT of bagasse and 0.65 lakh MT of alternate fuel to generate 1.77 lakh MW power in the previous Season. The total power exported to the grid of Uttar Pradesh Power Corporation Limited (UPPCL) upto 08.06.2020 was 1.08 lakh MW amounting to ₹ 40.50 crore as against 1.28 lakh MW amounting to ₹ 75.17 Crores in the previous Season. However, during the current year, credit notes of ₹ 8.25 Cr were issued by the Company for power supplied to UPPCL from April, 2019 to July, 2019 owing to downward revision of power tariff from ₹ 5.86 per Unit to 3.76 per unit (i.e. ₹ 2.10 per unit) w.e.f. 01-04-2019.

The Uttar Pradesh Electricity Regulatory Commission vide notification dated 25th July, 2019 reduced the power purchase rates of bagasse-based power plants with effect from 01.04.2019 from ₹ 5.86 per unit to ₹ 3.76 per unit. The sugar industry has filed a writ petition to challenge such reduction in power rates before the Hon'ble High Court, which has been admitted. The Company has considered the impact of rate revision which has resulted in reduction of revenue during the current year.

Spirits Division

As reported in the last Report, the Spirits Division was put out of operations voluntarily since October 2015 as the Company did not have capability to install necessary pollution control devices like Multiple Effect Evaporation (MEE) system, Incineration Boiler etc., to reduce the effluent volume. With a view to revive the operations due to a remunerative policy of the Central Government for ethanol, during the year under review, the Company had installed the necessary MEE plant and Condensate Polishing Unit [CPU] as basic pollution control equipment to take care of the preliminary requirements of Pollution Control Board (PCB). However, to comply with the Zero Liquid Discharge (ZLD) norms of PCB, the Company is in the process of installing an Incineration Boiler to maintain continuity of the Distillery plant operations in the monsoon period also. The Company had also installed a 50 KLPD capacity Ethanol plant i.e. Molecular Sieve Dehydration (MSDH Plant).

During the year under review, the Company operated the plant in two phases. In the first phase, the Company operated the plant for 22 days during June 2019 and shut the plant on 30.06.2019 as the plant could not be operated during monsoon season by adopting to bio-composting method as per the norms of PCB. During that period, the production of Rectified Spirit (RS) was 10.81 lakh BL. In the second phase, the plant was started on 03.11.2019 and was shut down on 08.06.2020. During this period, the production of RS was 66.40 lakh BL and the production of Ethanol was 51.32 lakh BL. The Ethanol supplied upto 08.06.2020 was 32.41 lakh BL to various Oil Manufacturing Companies.

SUBSEQUENT FINANCIAL YEAR 2020-21

Sugar Division

The crushing for the Season 2020-21 is expected to start in the first week of November 2020.

During the Financial Year 2020-21, the sugar price is expected to be steady due to government intervention. This may result into the Company generating better operational margin gradually. The industry outlook is positive in the short term and long term with sugar prices expected to be stable.

The Central Government has not yet announced FRP for the season 2020-21.

Spirits Division

The Distillery is planned to be started in the last week of October 2020. This year, with the installation of incineration boiler, the distillery unit is expected to run un-interruptedly, even beyond 30th June 2021. The Company may start its liquor operations also, subject to revamping of the existing ENA plant and obtaining necessary approvals from the State Government.

Power Division

The Cogen Power Plant will restart in the last week of October 2020.

SHARE CAPITAL

The Paid-up Share Capital as on 31.3.2020 was ₹ 10.08 crore. During the year under review, the Company has not issued any shares.

BOARD AND AUDIT COMMITTEE MEETINGS

During the year 6 Board Meetings and 4 Audit Committee Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

As on 31st March, 2020, the Audit Committee comprised of four (4) members, including three (3) Independent Directors. Further details of the Audit Committee are provided in the Corporate Governance Report.

During the year under review, there were no instances where recommendations of the Audit Committee were not accepted by the Board.

DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year under review:

1. Ms. Bhumika Batra (DIN: 03502004) had resigned as Additional Director [Independent Director] of the Company with effect from 22.07.2019, due to her personal reasons and certain other pre-occupations.
2. On 20.09.2019, Smt. Ranjana Sinha (DIN: 06989942) was appointed as Additional Director in the category of Woman Independent Director of the Company by the Board of Directors of the Company as recommended by the Nomination & Remuneration Committee. She is now proposed to be appointed as Independent Director for her first term of 5 years by the Shareholders of the Company through Special Resolution at the ensuing 85th AGM. The Board of Directors is of the opinion that Smt. Ranjana Sinha has the required integrity, expertise and experience to become Woman Independent Director.

Pursuant to Section 152 of the Companies Act, 2013, as there is no other Non-Independent Director who will retire by rotation at the ensuing AGM, Shri H R Kilachand, Chairman & Managing Director has been proposed to retire by rotation at the 85th AGM and he being eligible, offers himself for reappointment. As per the SEBI (LODR) Regulations 2015, a brief profile of Shri H R Kilachand forms part of the Corporate Governance Report.

All the Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (LODR) Regulations 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

Pursuant to the provisions of Regulation 25 of the SEBI (LODR) Regulations 2015, the Company has formulated a programme for familiarising the 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 etc through various

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initiatives. The details of the aforementioned programme are available at the Company's website [www.kesarindia.com/Investor's Corner/ Corporate Governance/ Policies](http://www.kesarindia.com/Investor's%20Corner/Corporate%20Governance/Policies).

BOARD EVALUATION / NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of the Companies Act, 2013, the Board had carried out an Annual Performance Evaluation of its own performance, the Directors individually, the evaluation of the working of its Audit Committee and Nomination & Remuneration Committee.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as Composition and structure of the Board, effectiveness of the Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of Committees, effectiveness of Committee Meetings, etc.

The Board reviewed the performance of each of the Directors on the basis of criteria such as the contribution of each Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report. The details of the Nomination & Remuneration Policy are available on the website of the Company [www. kesarindia.com/ Investor's Corner/ Corporate Governance/ Policies](http://www.kesarindia.com/Investor's%20Corner/Corporate%20Governance/Policies).

MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR & DATE OF THIS REPORT

There are no such material changes & commitments affecting the financial position of the Company.

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/CMD1/CIR/P/2020/84 dated 20.05.2020, the Company had submitted a letter dated 11.06.2020 with BSE Limited, informing in detail the impact of COVID-19 Pandemic and the consequent lock-down restrictions imposed by the Central and State Governments from time to time all over the Country, on its business operations. The said letter is placed on the Company's website i.e. www.kesarindia.com and is also available on the website of BSE Limited. The Shareholders may kindly refer to the said letter.

DONATION TO POLITICAL PARTY

Pursuant to Section 182 of the Companies Act, 2013, the Board of Directors of the Company had approved on 25.05.2020, giving donation upto a sum of ₹ 21 lakh to Bhartiya Janta Party, Uttar Pradesh Unit, a duly registered Political party, to enable them to strengthen their fight against the Corona Pandemic, especially at that point of time when the situation in UP was bad due to continuous flow of migrants from other States and as a good gesture on the part of the Company, whilst considering the tremendous support given by the Administration Department of the State Government, by passing a unanimous resolution at the Board Meeting held through Video / Audio Conferencing at which all the 3 Independent Directors were present.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors to the best of their knowledge hereby state that:

- i) in preparation of the annual accounts for the financial year ended on 31st March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss for that period;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv) the Directors had prepared the Annual Accounts for the financial year ended on 31st March, 2020 on a going concern basis.
- v) the Directors had laid down proper internal financial controls in place and that such internal financial controls are adequate and were operating effectively.
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

There are no material contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 and hence, Form AOC-2 is not annexed. The Members may refer to Note 41 to the Notes to Accounts for further details of routine transactions entered into with the Related Parties.

A policy of Related Party Transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Company [www.kesarindia.com/Investor's Corner/Policies](http://www.kesarindia.com/Investor's%20Corner/Policies).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Accounts. The credit facilities have been classified as Non-Performing Assets (NPA) by Banks. However, during the year under review, the Company was sanctioned a One Time Settlement [OTS] by Allahabad Bank and the last instalment of OTS amount was paid to the Bank on 31st July, 2020. The Company is in the process of offering OTS to UCO Bank, on similar lines as in case of Allahabad Bank. Further, on the request of the Company, Uttar Pradesh Co-operative Bank, Lucknow has converted the cash credit facilities provided to the Company into a Term Loan.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material Orders passed by the Regulators or Courts.

MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

The Management Discussion & Analysis Report is annexed and forms part of this Annual Report. The Company has complied with the Corporate Governance requirements as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015. A separate section on Corporate Governance, along with a Certificate from the Secretarial Auditors confirming the compliance, is also annexed and forms part of the Annual Report.

INSIDER TRADING

In compliance with the SEBI regulations on prevention of Insider Trading, your Company has framed a comprehensive code which lays down guidelines and advises the Directors and employees of the Company on procedures to be followed and disclosures to be made, while dealing in securities of the Company. During the year under review, the Company adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the Code of Conduct for Prohibition of Insider Trading in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended vide its Notification dated 31.12.2018, which is effective from 01.04.2019. The necessary changes are made in the Company's existing Code of Conduct for the Prohibition of Insider Trading.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT

The Company has complied with the provisions relating to constitution of an Internal Complaint Committee (ICC) for prevention and redressal of complaints / grievances on the sexual harassment of women at work places under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, the Company did not receive any complaint on sexual harassment.

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

Particulars with respect to conservation of energy and technology absorption pursuant to Section 134(3)(m) of the Companies Act, 2013 are given in the **Annexure "A"** forming part of this Report. During the year under review, there were no Foreign Exchange Earnings and Outgo.

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INSURANCE

The Company has taken adequate insurance for all its properties.

FIXED DEPOSITS

As per the Companies Act, 2013, the Company is not eligible to raise Fixed Deposits in terms of Section 73 of the Act. The Company has not accepted / renewed any Fixed Deposits.

AUDITORS

M/s. Haribhakti & Co. LLP has been the Company's statutory auditors since 2009-10. Their second term of 5 years is upto the conclusion of the ensuing 85th Annual General Meeting. Hence, pursuant to Section 139 and other applicable provision of the Act, the Board has recommended the appointment of M/s. V. C. Shah & Co., Chartered Accountants as Statutory Auditors of the Company to hold office for the first term of 5 (Five) years from the conclusion of the ensuing 85th Annual General Meeting till the conclusion of 90th Annual General Meeting of the Company as and when held. The necessary resolution will be placed for the approval of Members of the Company at the ensuing 85th AGM. M/s. V. C. Shah & Co. has provided a written consent and confirmed that they are eligible to act as Statutory Auditors of the Company.

AUDITORS' REPORT

M/s. Haribhakti & Co. LLP, the Statutory Auditors have submitted their Report for the year ended 31.03.2020, which has been taken on record. There is no qualification, reservation or adverse remark in the Auditors' Report. No frauds have been reported by the Auditors during the Financial Year 2019-20.

INTERNAL CONTROL SYSTEM & INTERNAL AUDITORS

The Company has an adequate Internal Control System. All transactions are properly authorized, recorded and reported to the Management. The Company has Independent Internal Auditors (presently, M/s. Ashok Jayesh & Co., Chartered Accountants) to review critical areas of operations. The Audit Reports are reviewed periodically by the Management and the Audit Committee of the Board and appropriate measures are taken to improve the process.

RISK MANAGEMENT

Your Company has a robust risk management framework to identify, evaluate and mitigate business risks. A detailed statement indicating the development and implementation of a risk management policy for the Company, including identification of various elements of risk, is appearing in the Management Discussion and Analysis Report.

COST AUDITOR

Pursuant to Sections 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, the Board had appointed Shri Rishi Mohan Bansal, Cost Accountant as Cost Auditor of the Company to conduct the Cost Audit for the products Sugar, Alcohol and Electricity Generation for the year ended 31.3.2020. The Cost Audit Report for the same will be submitted to the Central Government before 30.09.2020 or such other extended date, if any. Similarly, as recommended by the Audit Committee and approved by the Board of Directors of the Company, the payment of remuneration to Shri Rishi Mohan Bansal, Cost Accountant, Kanpur, as Cost Auditor to conduct the audit of the Cost records of the Company relating to Sugar, Industrial Alcohol and Generation of Power for the year ending 31st March, 2021 will be placed before the Shareholders at the 85th AGM for ratification.

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and the same have been made and maintained in accordance with the said provision.

ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the Annual Return is placed on the Company's website and can be accessed at <http://www.kesarindia.com> / **Investor's Corner/ Policies**.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Ragini Chokshi & Co., Practicing Company

Secretary, as Secretarial Auditor of the Company to undertake the Secretarial Audit and provide a Secretarial Audit Report in Form MR3. The Report of the Secretarial Auditor for FY. 2019-20 is annexed herewith as **Annexure- “B”**. There are no qualifications, reservations or remarks in the Secretarial Audit Report.

WHISTLE BLOWER & VIGIL MECHANISM POLICY

The Whistle Blower Policy of the Company, adopted by the Board, provides a mechanism to its Directors, Employees and other Stakeholders to raise concerns about any violation of legal or regulatory requirements, misrepresentation of any financial statement and to report actual or suspected fraud or violation of the Code of Conduct of the Company.

The Policy allows the Whistle Blowers to have direct access to the Chairman of the Audit Committee in exceptional circumstances and also protects them from any kind of discrimination or harassment. The Whistle Blower Policy of the Company can be accessed at <http://www.kesarindia.com> / **Investor’s Corner/ Policies**.

SECRETARIAL STANDARDS

Your Directors state that applicable provisions of Secretarial Standards i.e. SS-1 and SS-2, relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively have been duly followed by the Company.

CORPORATE SOCIAL RESPONSIBILITY

As required under Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. However, the Company was not required to spend any amount during the financial year as per the applicable provisions of the Act.

DELISTING ON NATIONAL STOCK EXCHANGE OF INDIA (NSE)

Pursuant to voluntary delisting application made by the Company, trading in Equity Shares of the Company was suspended with effect from 31.12.2019 (i.e. w.e.f. closing hours of trading on 30.12.2019), and equity shares were subsequently delisted from NSE with effect from 07.01.2020, without giving an exit opportunity to the existing shareholders of the Company. The NSE approval for delisting was received on 16.12.2019. The Company’s Equity shares continue to remain listed with the BSE limited (BSE) only.

EMPLOYEES

Relation with the employees remained cordial throughout the year. Your Directors place on record their sincere appreciation for the devoted services of the employees of the Company. The information required pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees on the payroll of the Company in India, is provided as **Annexure-“C”** which forms part of this report.

The information required pursuant to Section 197 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees’ particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company or at headoffice@kesarindia.com.

ACKNOWLEDGEMENT

Your Directors would like to place on record their grateful appreciation for the assistance and cooperation extended by the Banks, Financial Institutions and the wholehearted support extended by the Shareholders during the year under review.

By Order of the Board of Directors

H R KILACHAND
Chairman & Managing Director
DIN: 00294835

7th August, 2020

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Annexure “A”

Pursuant to Section 134(3)(m) of the Companies Act, 2013 Forming part of the Directors’ Report

Form for disclosure of particulars with respect to Conservation of Energy

1. We have replaced steam driven drives with electric drives with the latest technology with VFDs along with automation through Distributed Control System (DCS). The electric drives consume much less energy to drive the mills and thereby results in additional saving of bagasse ultimately benefiting by an increase in power sales.
2. During the year 2019-20, we have added few more equipments in the sugar plant, which includes major items like:
 - a. Continuous Vacuum Pan – 40 MT / Hr
 - b. Semikestner – 4,000 M² heating surface
 - c. Mechanical circulator – (3 Nos)

With addition of the above major equipments supported by modification of vapour line juice heaters, condensate juice heaters, we were able to achieve the desired, un-interrupted crushing of about 6800 TCD on regular basis even at a higher recovery of over 12.00%.

Apart from the increased average crushing, we were also able to achieve considerable reduction in unknown / hidden losses, over the previous year(s).

A. POWER AND FUEL CONSUMPTION			2019-20	2018-19
1. ELECTRICITY				
a	Purchased			
	Unit	Kwh	3,46,178	3,13,717
	Total Amount	₹	46,72,043	37,93,115
	Rate/Unit	₹	13.50	12.09
b	Own Generation			
i)	Through Diesel Generator			
	Unit	Kwh	20,353	37,454
	Units Per Ltr. Of Diesel Oil	Kwh	2.95	3.09
	Rate / Unit	₹	22.24	22.37
ii)	Through Steam Turbine			
	Unit	Kwh	17,08,07,942	16,93,57,825
	Units Per M. T. of Steam	Kwh	184.00	191.16
	Rate / Unit	₹	725.53	988
2. Coal				
	Quantity		-	-
	Cost		-	-
	Average Rate		-	-
3. Bagasse (Own)				
	Quantity	M.T.	3,31,344	2,95,784
	Cost *	₹		
	Average Rate *	₹ (M.T.)		
4. Other Fuel (Outside)				

A. POWER AND FUEL CONSUMPTION			2019-20	2018-19
	Quantity	M.T.	41,354	68,162
	Cost	₹	4,80,25,927	4,58,82,223
	Average Rate	₹	1,161	673
5. Rice Husk				
	Quantity	M.T.		
	Cost	₹		
	Average Rate	₹		
6. Cane Trash				
	Quantity	M.T.		
	Cost	₹		
	Average Rate	₹		
7. H.S. Diesel				
	Quantity	Ltr.	6,900	12,123
	Cost	₹	4,52,651	8,37,810
	Average Rate	₹	65.60	69.11

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

Consumption per unit of production

Product (Sugar)		2019-20	2018-19
Electricity	Kwh / M.T.	260.32	274.74
Bagasse / Risk Husk / Cane Trash	M.T. / M.T.	-	-
Diesel Oil	Ltr. / M.T.	-	-
Product (Industrial Alcohol)			
Electricity	Kwh /000' Ltrs	447.80	-
Coal	Qtls./000' Ltrs	-	-
Bagasse (Pith)	M.T./000' Ltrs	-	-
Rice Husk	Ltr./000' Ltrs	-	-
Diesel Oil	Ltr. / 000'Ltrs	-	-

FORM B

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

A. Research and Development

The Company has not spent any amount on Research & Development.

B. Benefits Derived

Expenditure on R & D		2019-20	2018-19
a)	Capital	-	-
b)	Recurring	-	-

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
FOR THE PERIOD 01-04-2019 TO 31-03-2020

To,
The Members,
KESAR ENTERPRISES LIMITED
Oriental house,
7, Jamshedji Tata road
Church gate
Mumbai - 400020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KESAR ENTERPRISES LIMITED (CIN: L24116MH1933PLC001996)** (hereinafter called the “Company”) for the financial year ended 31st March, 2020. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our Verification of 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, we hereby report that in our opinion, the Company has, during the audit period covering **1st April, 2019 to 31st March, 2020** 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period **1st April, 2019 to 31st March, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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; **(No event during reporting period)**.
- (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, 2015 ;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(No event during Audit Period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(No event during Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(No event during Audit Period)**
 - (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;**(Not Applicable during reporting period)**

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(No event during Audit Period)**

We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the company.

We are of the opinion that the Company has complied with the following laws specifically applicable to the company:

1. The Levy Sugar Price Equalization Fund Act and Rules there under.
2. The Essentials Commodities Act, 1955
3. The Sugar Cess Act, 1982
4. The Electricity Act, 2003
5. The Electricity Supply Act, 1948
6. The Indian Power Alcohol Act, 1948

We have also examined compliance with the applicable provisions and clauses of the following:

- Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with Stock Exchange.
- In the board meeting held on 7.11.2019, the company had decided to voluntarily delist the shares of the company from National Stock Exchange of India Limited (NSE), without giving any exit option to the shareholders. A public notice for the same was published in the newspapers. An application for delisting was submitted to NSE, which was approved by NSE via letter dated 16.12.2019. The shares of the company were delisted from 7.1.2020.
- As per regulation 31(2) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, 100% shareholding of promoter and persons acting in concert has to be in dematerialized form. 9083 shares held by the promoter and promoter group are not in dematerialized form as matters concerning this shareholding are sub-judice before the High Court.
- During the financial year 2019-20, all forms were filed in time with MCA except one, which was filed with necessary additional fees.

We further report that during the reporting period:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors.
- The change in the composition of the Board of Directors that took place during the period under review was in compliance with the provisions of the act.
- Adequate notices were 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.
- There were 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.
- As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- The agenda items are deliberated before passing the same and the views / observations made by the Directors are recorded in the minutes.

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We further report that during the reporting period, the following changes took place in the management of the company:

1. Ms. Bhumika Batra (DIN: 03502004), who, was appointed as Additional Independent Director of the Company on 14.8.2018, resigned on 22.7.2019.
2. Ms. Ranjana Sinha (DIN:069889942) was appointed as Additional Independent Director of the Company on 20.9.2019.

For Ragini Chokshi & Co.
(Company Secretaries)

Makarand Patwardhan
(Partner)

Membership No. ACS 11872
C.P. No. 9031
UDIN: A011872B000404715

Place: Mumbai
Date: 30.6.2020

Annexure-A

To,
The Members,
KESAR ENTERPRISES LIMITED,
Oriental House, 7, Jamshedji Tata Road,
Churchgate, Mumbai - 400020

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

1. The maintenance of Secretarial records is the responsibility of the 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 are appropriate to obtain reasonable assurance about the correctness of 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 practices and processes, we followed provide a reasonable basis for our opinion:

- a. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
- b. Wherever required, we have taken management representation about the compliance of laws, rules and regulations and happening of events etc.
- c. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to verification of procedures on test basis
- d. The secretarial audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Ragini Chokshi & Co.
(Company Secretaries)

Makarand Patwardhan
(Partner)

Membership No. ACS 11872
C.P. No. 9031

Place: Mumbai
Date: 30.6.2020

Annexure “C”

Particulars of Employees remuneration and other details in terms of Section 134(3)(q) read with Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20:

Executive Director	
* Shri H R Kilachand	NIL
Non Executive Director	
Shri A S Ruia	0.93:1
Shri M A Kuvadia	0.81:1
** Smt. R Sinha	0.50:1

2. The percentage increase in remuneration of each Director, CFO, CS in the financial year 2019-20:

Executive Director	
* Shri H R Kilachand	NIL
Non Executive Director	
Shri A S Ruia	NIL
Shri M A Kuvadia	NIL
** Smt. R Sinha	NA
Key Managerial Personnel	
Shri Rohit Balu, Chief Financial Officer	6.37%
Shri D J Shah, Company Secretary	0.50%

3. The percentage increase in the median remuneration of employees in the financial year was 31.56%.
 4. The Company has 261 permanent employees on the rolls of the Company as on March 31, 2020
 5. Average percentile increase in salaries of Employees, other than managerial personnel, during the year under review was (24.84%), whereas average percentile increase in salaries of Managerial Personnel during the year under review was (2.98%).
 6. It is affirmed that the remuneration paid is as per the remuneration policy of the Company.
 * Shri H R Kilachand had stopped drawing remuneration from the Company voluntarily, since March 2014 in view of the heavy losses suffered by the Company for the last few years.
 ** Smt. R Sinha appointed as a Independent Director w.e.f. 20-09-2019

Explanation:

- (i) The expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;
 (ii) If there is an even number of observations, the median shall be the average of the two middle values.

For and on behalf of the Board of Directors
of **Kesar Enterprises Limited**

H R KILACHAND
Chairman & Managing Director
DIN: 00294835

Date: 07.08.2020

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Scenario in India

Sugar

India is the second largest producer of sugar in the world. The sugar industry is the largest agro-processing sector in India. It is dominated by the co-operative sector in terms of number of units. However, with private players going in for major expansions, the gap between the private and co-operative sector is expected to narrow down in the future in terms of installed capacity as well as production. The industry is highly regulated by the Central and State Governments by way of cane growing area, sugarcane pricing, import-export policy, government policy etc. Sugar cane is cultivated in around 5 million hectares in India. The major sugarcane producers are Uttar Pradesh, Maharashtra, Tamilnadu and Karnataka. Sugar cane is the major source of sugar production in India unlike many other countries, which produce sugar from sugar beet.

Company Structure & Development

Sugar

The sugar factory is located at Baheri, Dist. Bareilly, Uttar Pradesh, and is a large producer of sugar in the country. The plant started with an initial crushing capacity of 800 tons of cane crushed per day (tcd), which had been gradually increased to 7,200 tcd over time. The Company has one of the most modern and efficient sugar factories in the country. Through constant investment in Cane Research & Development, the Company has successfully developed high yielding and early maturing varieties of sugarcane.

Power

The Company has commissioned a 44 mw Bagasse based Cogeneration Power Plant at Baheri. It is one of the most efficient and largest capacity single plants in the sugar Cogeneration Sector in the country, a world class plant having a state-of-the-art Process Control system with performance monitoring software. The Company exports majority of power produced to the grid as per government policies related to renewable energy. The Company gets benefits of renewable energy certificates.

Upto 31st March 2019, the Company was getting power tariff on the lines of UPERC guidelines declared for a block period of 5 years and were quite good. However, now UPERC / UPPCL has reduced tariff from ₹ 5.86 / unit to ₹ 3.76 / unit. The Company along with others, in the industry, are strongly taking up the matter with UPERC and the State Government directly and legally through the High Court.

Spirits

The Spirits Division was put out of operations as the Company was required to install necessary pollution control devices like Multiple Effect Evaporation (MEE) system, Incineration Boiler etc., to remove the effluent. As the Company did not have such capability, the Company had voluntarily taken a shut-down of its Distillery operations since October 2015. With a view to revive the operations due to a remunerative policy of the Central Government for ethanol, the Company has installed the necessary MEE plant and Condensate Polishing Unit [CPU] as basic pollution control equipment. This will take care of the preliminary requirements of Pollution Control Board (PCB). However, to comply with the Zero Liquid Discharge (ZLD) norms of PCB, the Company is in the process of installing an Incineration Boiler to maintain continuity of our Distillery plant operations in the monsoon period also.

Opportunities & Threats

Sugar

Untimely change in government policy and upward pricing in terms of Fair Remunerative Price (FRP) and State Advised Price (SAP) can prove a threat to the Company. Excess production also can affect the sugar prices to a great extent.

Power

The Company has set up a state of the art cogeneration plant operating at high pressure of 115 kg/cm². Therefore, it is very efficient when compared to majority of the cogeneration plants having power cycle at pressures of 45, 67 and 87 kg/cm². This will therefore translate into producing more power from same bagasse.

Spirits

Present State and Central Government policies are quite favourable for the Spirits Division. The Government is promoting Ethanol by giving better rates, allowing to produce from 'B' heavy molasses and cane juice directly. The State Government is pushing hard for getting country liquor from those distilleries, which have closed their bottling operations due to various reasons, in last few years – appears to be a big advantage. The Company is exploring the possibility of venturing into Sanitizer business, which is in good demand due to Corona Pandemic.

Outlook

Sugar

The sugar industry will be a major player in producing cost effective energy and fuel from its by-products bagasse and molasses. Bagasse can be processed for co-generation of power. Also, ethanol produced from molasses can be used as motor fuel by blending it with petrol.

During the Financial Year 2019-20, the industry has experienced a marginal increase in sugar realisation as compared to the previous years. However, the average price of sugar is lower than the cost of production of sugar as the cost of all inputs has gone up considerably. The existing Minimum Selling Price (MSP) of sugar is fixed at ₹ 31 per kg by the Government, which is likely to be increased further. This may result into the Company generating better operational margins. The industry outlook is also positive.

Power

The season ahead should see proper utilization of the cogeneration plant capacity and therefore, the exportable power will be steady.

Spirits

On installation of the incineration boiler along with the matching turbine during this off-season, the Distillery will run continuously, without depending on Cogen unit for steam and power, and also solve the effluent treatment problem permanently. The Company is also in the process of revamping its ENA plant, which will optimise the capacity utilisation and will pave way for restarting the bottling plant for manufacturing country liquor.

Risks and Concerns

Sugar Division being agro based is vulnerable to various risks enumerated below:

Raw Material Risk:

Sugarcane is the principal raw material for manufacture of Sugar, Spirits and Power and its shortages could be on account of pest attacks, crop diseases, diversion of land by farmers. Shortage of the basic raw materials would severely impact the working of the divisions of the Company. To mitigate these risks, the Company has adopted sound agronomic practice and improvement in basic infrastructure facilities.

Price Risk:

Sugar price is susceptible to fluctuations on account of international demand and supply, government pricing for cane as well as sugar, variance in production capacities of peers. Any change may affect the margins of the Company.

Regulatory Risk:

The policies of the Central and State Governments in terms of Fair Remunerative Price (FRP) and State Advised Price (SAP) for sugarcane have an impact on the operations of the Company.

Internal Control System

The Company has an appropriate internal control system for its various functions with the ultimate objective of improving efficiency in its operations, better financial management and compliance with regulations and applicable laws. The Company has appointed an Internal Auditor (Independent). All operating parameters are well defined and monitored periodically. The detail internal audit reports are discussed at length at various levels and thereafter the said reports are also placed before the Audit Committee for review and discussion.

Segment-wise Financial Performance

The information relating to the financial performance of the Company is provided in the Directors' Report.

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Details of significant changes (i.e. Change of 25% or more as compared to the immediately previous financial year) in key financial ratios

Particulars	March 31, 2020	March 31, 2019	Remarks/Reason for change
(i) Interest Coverage Ratio (times)	1.09	0.10	There has been significant change. Reasons for this significant change are: (a) Increase in profits in F.Y 2019-20 as compared to F.Y 2018-19 due to better realization of Sugar and increase in recovery; (b) During F. Y 2019-20, One of the Bankers of the Company has entered into One Time Settlement (OTS) & interest on its outstanding Loans were not provided in the books for FY 2019-20 resulting into reduction in Finance Cost for the year
(ii) Net Profit Margin (%)	0.44%	(9.98%)	There has been significant change. Reasons for this significant change are: (a) Increase in profits in F.Y 2019-20 as compared to F.Y 2018-19 due to better realization of Sugar and increase in recovery; (b) During F. Y 2019-20, One of the Bankers of the Company has entered into One Time Settlement (OTS) & interest on its outstanding Loans were not provided in the books for FY 2019-20 resulting into reduction in Finance Cost for the year

Details of any change in Return on Net Worth as compared to the immediately previous financial year:

Particulars	March 31, 2020	March 31, 2019	Remarks/Reason for change
Return on Net Worth	(5.45%)	(84.41%)	There has been significant change. Reasons for this significant change are: (a) Increase in profits in F.Y 2019-20 as compared to F.Y 2018-19 due to better realization of Sugar and increase in recovery; (b) During F. Y 2019-20, One of the Bankers of the Company has entered into One Time Settlement (OTS) & interest on its outstanding Loans were not provided in the books for FY 2019-20 resulting into reduction in Finance Cost for the year

Material developments in Human Resources / Industrial Relations Front

The Company considers human capital as a critical asset and success factor for smooth organizational workflow. Efforts are made to improve skills, knowledge and performance of employees by timely training, job satisfaction and enrichment. The Company has added to its fold, experienced manpower in line with future areas of growth.

Cautionary Statement

The above Management Discussion and Analysis Report contains “forward looking statements” within the meaning of applicable laws, and regulations and is futuristic in nature. All statements that address expectations or projections about the future, including, but not limited to statements about the Company’s strategy for growth, market position, expenditures and financial results are forward looking statements. The Company’s actual results, performance or achievement could thus differ materially from those projected in any such forward looking statements. Investors are requested to make their own independent judgments before taking any investment decisions and the Company assumes no responsibility.

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on Code of Governance:

Effective corporate governance practices constitute a strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on Corporate Governance aims at attainment of the highest levels of transparency, accountability and equity in the functioning of the Company and in all interactions with employees, shareholders, creditors, depositors and customers. The Company believes that its systems and actions must be endeavoured for enhancing corporate performance and maximizing shareholder value in the long term.

2. Board of Directors:

The Composition of the Board of Directors is in conformity with the stipulation laid down in the Code of Corporate Governance prescribed by the Securities and Exchange Board of India (SEBI) (Listing Obligations & Disclosure Requirements) Regulations, 2015 ['LODR Regulations'] as amended from time to time.

The Board includes reputed individuals with considerable professional expertise from fields like finance, legal, commercial, business administration and other related fields, who, not only bring a wide range of experience and expertise, but also impart the desired level of independence to the Board.

The Composition and Category of Directors is as follows:

Name of Director	Category
Shri H R Kilachand (DIN:00294835)	Chairman & Managing Director
Shri A S Ruia (DIN:00296622)	Independent Director
Shri M A Kuvadiah (DIN:07195042)	Independent Director
Mrs. Ranjana Sinha (DIN: 06989942)	Additional Director [Category - Independent Director] [From 20.09.2019]
Ms. Bhumika Batra (DIN:03502004)	Additional Director [Category - Independent Director] [Up to 22.07.2019]

^ Ms. Bhumika Batra resigned as Director vide resignation letter dated 22.07.2019, citing personal reasons and certain other pre-occupations. She also confirmed that there were no other reasons for her resignation other than those mentioned in the resignation letter.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in LODR Regulations and are independent of the management.

The following skills/ expertise/ competencies have been identified by the Board for its effective functioning, and are currently available with the Board along with names of directors who have such skills / expertise / competence:

Industry knowledge/experience	Knowledge of Sugar, Spirits and Power Manufacturing Industry	Shri H R Kilachand Shri A S Ruia
	Understanding of laws, rules, regulations and policies applicable to Sugar, Spirits and Power Manufacturing Industry	Shri H R Kilachand Shri M A Kuvadiah Mrs. Ranjana Sinha
Technical skills/experience	General business management	Shri H R Kilachand Shri A S Ruia Shri M A Kuvadiah
	Accounting and finance	Shri M A Kuvadiah
	Strategic planning/ business development	Shri H R Kilachand
	Information Technology	Shri H R Kilachand

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Behavioural Competencies	Integrity and ethical standards	Shri H R Kilachand Shri A S Ruia Shri M A Kuvadia Mrs. Ranjana Sinha
	Decision making	Shri H R Kilachand Shri A S Ruia Shri M A Kuvadia Mrs. Ranjana Sinha
	Problem solving skills	Shri H R Kilachand Shri A S Ruia Shri M A Kuvadia Mrs. Ranjana Sinha

Details of Board Meetings held:

During the year, 6 Board Meetings were held on 17.05.2019; 14.08.2019; 20.09.2019; 07.11.2019; 12.12.2019 & 14.02.2020. The gap between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days.

Directors' Attendance and Directorships Held:

Attendance of each Director at the Board Meetings held during 1.4.2019 to 31.3.2020 and at the last Annual General Meeting held on 20.09.2019 and the Number of other Directorships & Chairmanship/ Membership of Committees of each Director in various Companies are as under:

Name of the Director	Number of Board Meetings attended during the FY 2019-2020	Whether attended last AGM held on 20.09.2019	Number of Directorships in other Public Companies	Number of Committee positions held in other Public Companies ^s		Directorship in other listed entity (Category of Directorship)
				Chairman	Member*	
Shri H R Kilachand (DIN:00294835)	6	Yes	2	0	3	Kesar Terminals & Infrastructure Limited (Whole-time Director)
Shri A S Ruia (DIN:00296622)	6	Yes	3	3	3	Kesar Terminals & Infrastructure Limited (Independent Director)
Shri M A Kuvadia (DIN:07195042)	5	Yes	2	0	3	Aishwarya Technologies and Telecom Limited (Independent Director)
Mrs. Ranjana Sinha (DIN: 06989942)	4	No	0	0	0	–
Ms. Bhumika Batra [^] (DIN:03502004)	0	–	–	–	–	–

[^] resigned on 22.07.2019

^s Only Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of the LODR Regulations, 2015.

* Membership includes Chairmanship

None of the Directors hold the office of Director in more than the permissible number of Companies under the Companies Act, 2013 or Regulation 25 & 26 of the LODR Regulations.

Details of equity shares of the Company held by the Directors as on March 31, 2020:

Name of the Director	No. of Shares held
Shri H R Kilachand (DIN:00294835)	573976
Shri A S Ruia (DIN:00296622)	1000
Shri M A Kuvadiah (DIN:07195042)	0
Mrs. Ranjana Sinha (DIN: 06989942)	0
Ms. Bhumika Batra (DIN:03502004)	0

Retirement by Rotation of Director:

Pursuant to Section 152 of the Companies Act, 2013, as there is no other Non-Independent Director except Shri H R Kilachand, though he has been appointed as a Director not liable to retire by rotation by the Company, Shri H R Kilachand, Chairman & Managing Director will retire by rotation at the 85th AGM and he being eligible, offers himself for reappointment. As per the LODR Regulations, a brief profile of Shri H R Kilachand is as under:

DIN	00294835
Birth Date	04.05.1960
Nationality	Indian
Qualification	B.Com. from University of Bombay; and C.B.M. & P.D.B.M. from U.S.A.
Experience	<p>He had joined Kesar Enterprises Ltd. (KEL) on 8.8.1985 as “Executive”. He was entrusted with the duties of Administration & Co-ordination work of KEL and also to plan & supervise projects for modernisation and expansion of KEL’s activities. He contributed a lot in his first decade towards the growth of KEL. He had efficiently carried out the duties entrusted to him, including completion of the expansion & modernisation of Sugar Factory, Distillery, ENA & IMFL Plants, the Power Plant for Cogeneration and also a Second Storage Terminal at Kandla.</p> <p>On 6.3.1997, he was appointed as a “Joint Managing Director” of KEL. Subsequently, after the death of his father, w.e.f. 14.8.1997 he has been working as a Chairman & Managing Director of KEL.</p> <p>Since the demerger of Storage Division of KEL into Kesar Terminals & Infrastructure Ltd. [KTIL] i.e. from 14.09.2010, he has worked as the Executive Chairman of KTIL for almost 2 terms of 3 years each i.e. till 29.04.2016. He has been appointed again w.e.f. 20.12.2017 as Executive Chairman of KTIL. He has contributed a lot in the growth of KTIL. He could manage to get for KTIL a Composite Logistic Hub Project at Madhya Pradesh through its Special Purpose Vehicle Company viz. Kesar Multimodal Logistics Ltd. (KMLL). He is also a Non-Executive Chairman of KMLL.</p>
Shareholding	5,73,976 (5.69%) Equity Shares
Relationship with other Director (s)	Nil
List of other Directorship	<p>Kesar Terminals & Infrastructure Ltd.</p> <p>Kesar Multimodal Logistics Ltd.</p> <p>Kesar Corporation Pvt. Ltd.</p> <p>Indian Commercial Co. Pvt. Ltd.</p> <p>Seel Investment Private Ltd.</p> <p>Kilachand Devchand & Company Private Ltd.</p> <p>Kilachand Devchand Commercial Private Ltd.</p> <p>Duracell Investments & Finance Pvt. Ltd.</p>

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Relationship between the Directors inter-se: Nil

The details of Familiarization Programme imparted to Independent Directors is disclosed on the website of the Company viz. www.kesarindia.com.

Board Committees

The Board has constituted the required Committee(s) of Directors with delegation of powers. The Secretary of the Company acts as the Secretary to the Committees. Each Committee has its purposes, goals and responsibilities. These Committees comprise mainly of Independent Directors who as per the terms of reference oversee the Committee's function and executes its duties and responsibilities. The details of the Committees constituted by the Board are as under:

3. Audit Committee:

As per Section 177 of the Act & Regulation 18 of the LODR Regulations, the Company has constituted an Audit Committee.

(a) Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to statutory Auditors for any other services rendered by them;
4. Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by the Management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft Audit Report, if any;
5. Reviewing, with the Management, the Quarterly Financial Statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, the performance of statutory and internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal Auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of Chief Financial Officer (CFO) (i.e. Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as may be assigned under the Companies Act, 2013, LODR Regulations or any other applicable law, rules or regulations, from time to time

(b) Composition

The Audit Committee comprises of the following Directors. The Committee is chaired by an Independent Director.

Shri A S Ruia	–	Independent Director–Chairman of the Committee
Shri M A Kuvadia	–	Independent Director - Member of the Committee
Mrs. Ranjana Sinha	–	Additional Director [Independent] - Member of the Committee
Shri H R Kilachand	–	Chairman & Managing Director - Member of the Committee

(c) Meetings & Attendance

During the year, 4 meetings of the Audit Committee were held on 17.05.2019, 14.08.2019, 07.11.2019 and 14.02.2020 with the time gap between 2 meetings of less than 120 days. The attendance of the Members is mentioned in table given below. As required, CFO, Internal Auditor & Statutory Auditors or their representatives remain present as Invitee in such Meetings. The Company Secretary acts as the Secretary of the Audit Committee.

Name of Member	Attendance during FY 2019-20
Shri A S Ruia	4 out of 4
Shri M A Kuvadia	3 out of 4
Mrs. Ranjana Sinha	2 out of 4*
Shri H R Kilachand	4 out of 4

* Appointed w.e.f. 20.09.2019

The Company has a full-fledged Internal Audit Department which performs periodical internal audit of various functions of the Company. The reports of the Internal Audit Department are placed before the Audit Committee along with the comments of the Management on the action taken to remedy any deficiencies that may be observed on the working of the various departments of the Company. In addition, the Company has appointed M/s. Ashok Jayesh & Associates, Chartered Accountants as Independent Internal Auditor.

Representatives of the Statutory Auditors M/s Haribhakti & Co., Chartered Accountants and Independent Internal Auditors M/s Ashok Jayesh & Associates, Chartered Accountants are invited for the meeting of the Audit Committee.

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4. Nomination & Remuneration Committee:

The Committee comprises of the following Directors. The Committee is chaired by an Independent Director. The Composition of Committee is in compliance with the requirements stipulated in LODR Regulations.*.

Shri A S Ruia	–	Independent Director–Chairman of the Committee
Shri M A Kuvadia	–	Independent Director - Member of the Committee
Mrs. Ranjana Sinha	–	Additional Director [Independent] - Member of the Committee (w.e.f. 20.09.2019)
Shri H R Kilachand	–	Chairman & Managing Director - Member of the Committee

*As per Regulation 19(1) of LODR Regulations, the Nomination & Remuneration Committee [NRC] is required to have at least 3 Non-Executive Directors out of which at least 50% should be Independent Directors. Further, the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.

Meetings of the Committee were held on 17.05.2019, 20.09.2019 & 14.02.2020. The attendance of Members at the meetings of Committee is as follows:

Name of Member	Attendance during FY 2019-20
Shri A S Ruia	3 out of 3
Shri M A Kuvadia	3 out of 3
Mrs. Ranjana Sinha	1 out of 3
Shri H R Kilachand	3 out of 3

The Key Objectives of the Committee is:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

The brief terms of reference of this Committee includes consideration, review and approval of remuneration of Executive Director / Chairman and sitting fees payable to Non-Executive Directors with regard to performance standards and existing industry practices.

Performance evaluation criteria for Independent Directors:

Performance of Independent Directors is evaluated in accordance with evaluation criteria formulated by NRC. Criteria on the basis of which evaluation is done includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

Remuneration Policy for Directors:

a) Remuneration to Executive Chairman / Director / Whole-time Director / Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation / Commission / Incentive etc. to be paid to Executive Chairman / Director / Whole-time Director / Managing Director, KMP and Senior Management Personnel etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

b) Remuneration to Non- Executive / Independent Director:

The Non-Executive / Independent Director may receive compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

Remuneration of Executive and Non-Executive Directors:

Shri H R Kilachand stopped drawing remuneration from the Company (KEL) voluntarily from March 2014, in view of the heavy losses suffered by the Company for the last few years. His employment with the Company is terminable in accordance with General Rules of the Company applicable to employees.

The details of remuneration* paid to the Non-Executive Directors for attending meetings of Board of Directors and various committees thereof including separate meeting of Independent Directors during the financial year ended on 31.3.2020 are as under:

Name	Sitting Fees (₹)
Shri A S Ruia	3,00,000
Shri M A Kuvadia	2,60,000
Mrs. Ranjana Sinha	1,60,000
Ms. Bhumika Batra	NIL [^]

* No other remuneration except the sitting fees as mentioned above were paid to Non-Executive Directors.

[^] Ms. Bhumika Batra did not attend any meeting during FY ended on 31.03.2020.

None of the Directors hold any stock options.

5. Share Transfer Committee

The authority to consider the Share Transfer related matters / issue of duplicate Share Certificates etc. is delegated to Shri H R Kilachand and Shri D J Shah who met on 16.05.2019, 11.07.2019, 03.10.2019 & 13.02.2020 to consider the related matters. There were no pending share transfers as on March 31, 2020.

6. Stakeholders' Relationship Committee:

As required under Regulation 20 of the LODR Regulations, the Board has a duly constituted Stakeholders' Relationship Committee [SRC]. The Chairman of the Committee is an Independent Director. The Committee consists of the following Directors:

Shri M A Kuvadia	–	Independent Director–Chairman of the Committee
Shri A S Ruia	–	Independent Director - Member of the Committee
Shri H R Kilachand	–	Chairman & Managing Director - Member of the Committee

Shri D J Shah, Sr. V P (Legal) and Company Secretary acts as Compliance Officer.

The function of the Stakeholders' Relationship Committee is to strengthen the investors' relations. The Committee looks into redressal of shareholders' complaints and proper and timely attendance on the investors' grievances. The key responsibilities of the Committee are to look into:

- (i) Redressal of Shareholders' / Investors' complaints.
- (ii) Non-receipt of declared dividends, balance sheets of the Company; and
- (iii) Carrying out any other function as prescribed under the LODR Regulations.

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The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company.

During the year ended 31st March, 2020, the details of investor complaint(s) received by the Company are as follows:

Investors' complaints at the beginning of the year	Investor complaints received during the year	Investor complaints disposed-off during the year	Investor complaints pending at the end of the year
0	3	3	0

7. Risk Management Committee [RMC]:

Though the Company is not mandatorily required to constitute Risk Management Committee, in terms of Regulation 21 of LODR Regulations, the Board has a duly constituted Risk Management Committee consisting of the following:

- Shri M A Kuvadia – Independent Director–Chairman of the Committee
 Shri H R Kilachand – Chairman & Managing Director - Member of the Committee

8. General Body Meetings:

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

AGM	Financial Year ended	Date	Location	Time
AGM	31.03.2019	20.09.2019	M C Ghia Hall	3:30 p.m
AGM	31.03.2018	14.08.2018	M C Ghia Hall	3:30 p.m
AGM	31.03.2017	25.07.2017	M C Ghia Hall	3:30 p.m

- ii. The following Special Resolutions were passed in the Annual General Meeting:

Date of AGM	Particulars of Special Resolution passed there at
20.09.2019	Resolution under Section 196 & 197 read with Schedule V for appointment of and payment of remuneration to Shri H R Kilachand as Chairman & Managing Director for a period of 3 years from 14.08.2019 to 13.08.2022.
14.08.2018	<ul style="list-style-type: none"> Resolution under Section 149, 152 read with Schedule IV relating to appointment of Shri A S Ruia aged 75 years, as an Independent Director for the 2nd term of 5 years. Resolution under Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 1956 relating to ratification for appointment of Shri D J Shah as a Whole-Time Director without any remuneration for a period from 27.01.2018 to 30.04.2018.
25.07.2017	Resolution under Section 20 of the Companies Act, 2013 relating to charging actual cost for sending documents to shareholders by speed post, courier or registered post.

No Resolutions was passed during the Financial Year 2019-20 through Postal Ballot.

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

9. Disclosures:

- a. All transactions entered into during the financial year 2019-20 with Related Parties as defined under the Companies Act, 2013 were in the ordinary course of business and on an arms' length basis. There was no Material Related Party transaction, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements. The Company has given in the notes to accounts, a list of related parties as per Accounting Standard 18 and the transactions entered into with them.
- b. The Company has been generally in compliance with all relevant provisions of laws applicable to the Company and there have been no instances of non-compliance by the Company on any matter related to

capital markets during the last three years except in Financial Year 2018-2019, where there was delay by 14 days in submission of financial results for the year ended 31.03.2018 to Stock Exchanges, due to time taken in understanding and implementation of requirement of IND-AS then newly introduced, for which the Company had paid the required fine imposed by National Stock Exchange of India Limited.

- c. The Company has laid down procedures to inform Board members about risk assessment and minimization. These procedures are periodically reviewed to ensure control of risk through a properly defined framework.

d. Whistle Blower Policy / Vigil Mechanism

In staying true to our values of Strength, Performance and Passion, the Company is committed to the highest standards of Corporate Governance and Stakeholder responsibility. The Company has a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any.

The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. We confirm that during the financial year 2019-20, no Employee of the Company was denied access to the Audit Committee.

The details of Whistle Blower Policy are available on the website of the Company, www.kesarindia.com

- e. The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud / misconduct on: **E-Mail: headoffice@kesarindia.com Tel: 022-22042396**
- f. A Certificate from the Chairman & Managing Director and Chief Financial Officer (CFO), as required under Regulation 17(8) of the LODR Regulations was placed before the Board of Directors of the Company and annexed to this report.
- g. Management Discussion & Analysis Report is a part of the Annual Report.
- h. The Company has complied with all applicable mandatory requirements of the LODR Regulations.
- i. A certificate from M/s. Ragini Chokshi & Co, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated there under is annexed to this Report.
- j. A certificate from M/s. Ragini Chokshi & Co, Practicing Company Secretaries confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this Report.
- k. Declaration by the Chairman and Managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of the Board of Directors and Senior Management, is annexed to this Report.
- l. During the financial year, there was no instance recorded where the board had not accepted any recommendation of/ submission by the committee of the board which is mandatorily required.
- m. During the year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).
- n. The Company does not have commodity price activities and commodity hedging activities.
- o. The details of total fee paid/payable by the Company to the Statutory Auditors and all entities in the network firm / network entity of which the statutory auditor is a part, for financial year 2019-20, are as follows:

Type of Service	Fee paid (₹ In Lakhs)
Audit Fee	8.50
Certifications Services	0.50
Out of Pocket Expenses	0.95
Total	9.95

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p. **Policy on Materiality of and dealing with Related Party Transactions**

Pursuant to Regulation 23 of LODR Regulations, the Company has formulated a ‘Policy on Materiality of and dealing with Related Party Transactions’, which is hosted on the Company’s website viz. www.kesarindia.com.

- q. There were no complaints received by the Company during the year, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- r. During the year, the Company has complied with all mandatory requirements specified in Regulation 17 to 27 and clause (b) to (i) of Regulation 46(2) of the LODR Regulations.
- s. In compliance of the discretionary requirements as specified in Part E of Schedule II of LODR Regulations, the Internal Auditor of the Company reports to the Audit Committee of the Board of Directors.
- t. As on March 31, 2020, the Company has not issued any debt instrument or fixed deposit programme, hence, there is no requirement of obtaining credit rating in this regard.

10. Means of communication:

The Board takes on record the Unaudited Quarterly Financial Results and the Audited Financial Results in the prescribed format of the stock exchange and forthwith fax and upload / send copies of the results to the Bombay Stock Exchange and National Stock Exchange of India Ltd.* respectively where the shares of the Company are listed.

The financial results of the Company are published in the “Free Press Journal” in English and “Nav Shakti” in Marathi newspapers within 48 hours of the conclusion of the meeting of the Board in which they are approved.

The results and all other official news releases are displayed on the websites of the Stock Exchanges: www.bseindia.com and www.nseindia.com* and also on the website of the Company, viz. www.kesarindia.com

There were no presentations / call made to the analysts or institutional investors during the year.

* Pursuant to an application made by the Company to delist its equity shares from NSE, the equity shares of the Company have been delisted from NSE via NSE letter dated 16.12.2019.

11. General Shareholders information:

a	Registered Office	Kesar Enterprises Ltd.
		Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai-400020.
b	Plant Locations	Sugar Factory, Power Plant, Spirits & Bottling at Baheri, Dist. Bareilly, U. P.
c	Annual General Meeting	
	Date	11.09.2020 Friday
	Time	03:30 pm
	Venue	The Company is conducting meeting through VC/OAVM pursuant to the MCA circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM.
d	Financial Year	2019-20
e	Next Financial Year ending	31 st March, 2021
f	Next Annual General Meeting	By 30 th September, 2021
g	Financial Reporting for the year 2020-21	
	For 1 st quarter ended 30 th June, 2020	By 14 th August, 2020
	For 2 nd quarter ending 30 th September, 2020	By 14 th November, 2020
	For 3 rd quarter ending 31 st December, 2020	By 14 th February, 2021
	For 4 th quarter ending 31 st March, 2021	By 30 th May, 2021

h	Date of Book Closure	From 04.09.2020 - Friday To 11.09.2020 - Friday (Both days inclusive)
i	Listing on Stock Exchange	BSE Ltd., The Company has paid annual listing fees due to BSE for the year 2019-20.
j	Stock Exchange Code Number	BSE Scrip Code : 507180
k	Demat ISIN numbers in NSDL & CDSL	INE133B01019
l	Address for correspondence by the Shareholders of the Company:	
	Registrar & Share Transfer Agent: M/s. Sharex Dynamic (India) Pvt. Ltd. C 101, 247 Park, L BS Marg, Vikhroli (West), Mumbai - 400 083. Tel.No.: +91 22 28515606/ 28515644 Fax: +91 22 28512885 Email: support@sharexindia.com Website : www.sharexindia.com	Kesar Enterprises Ltd. Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai-400020. Tel No.: +91 22 22042396 / 22851737 Email: djs@kesarindia.com Website : www.kesarindia.com

Share Transfer System:

The shares sent for transfer are registered and returned within the prescribed time limits. Pursuant to the LODR Regulations, certificates on half yearly basis, have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 2018, certificates have also been received from the Company Secretary in Practice for timely dematerialization of the shares of the Company and for Reconciliation of Share Capital Audit of the Company.

Stock Market Data:

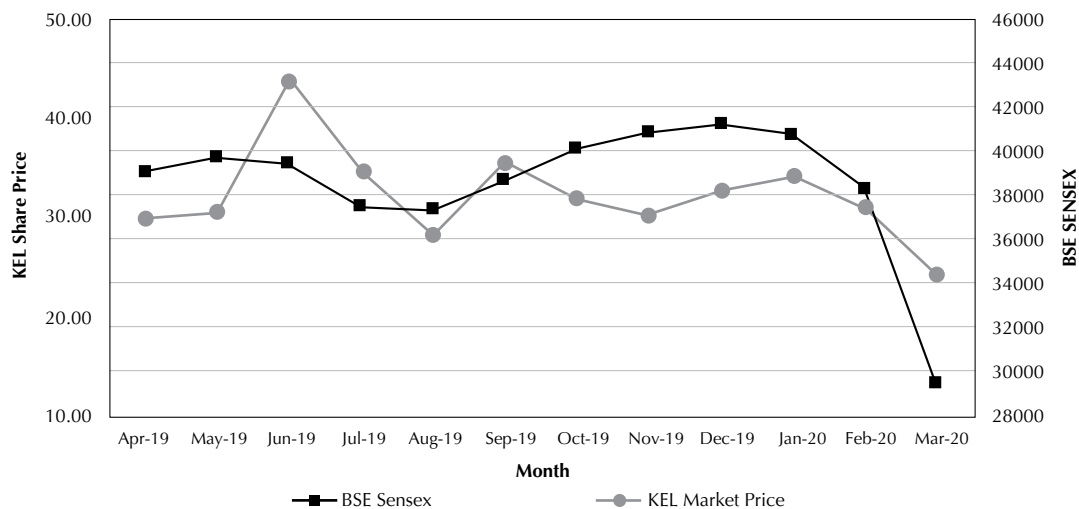
The monthly high/low quotation of shares traded on BSE & NSE is as follows:

Month	BSE		NSE*	
	High	Low	High	Low
April 2019	33.60	28.15	33.25	27.70
May 2019	34.90	27.00	33.95	26.30
June 2019	62.50	29.55	62.10	28.10
July 2019	45.80	34.10	45.30	30.90
August 2019	35.40	27.80	34.95	26.65
September 2019	37.20	26.70	36.65	26.65
October 2019	35.75	28.65	35.65	27.75
November 2019	41.90	27.55	41.00	27.05
December 2019	38.75	28.75	37.45	28.70
January 2020	37.80	29.30	N.A	N.A
February 2020	36.35	30.60	N.A	N.A
March 2020	31.40	19.20	N.A	N.A

* Trading in Equity Shares of the Company was suspended with effect from 31.12.2019 (i.e. w.e.f. closing hours of trading on 30.12.2019), and equity shares was subsequently delisted from NSE with effect from 07.01.2020, pursuant to voluntary delisting application made by the Company. Therefore, High and Low data from January, 2020 onwards is not available.

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Performance of the share price of the Company (KEL) in comparison to the BSE SENSEX:



Distribution of shareholding as on 31st March, 2020:

Shareholding in Nominal Value of ₹	Shareholders		Share Amount	
	Holder	% of Holders	In ₹	% to Total
Upto - 5,000	4410	88.430	5301380	5.259
5,001 -10,000	310	6.216	2456250	2.437
10,001 - 20,000	146	2.928	2158080	2.141
20,001 - 30,000	29	0.582	740340	0.734
30,001 - 40,000	27	0.541	966000	0.958
40,001 - 50,000	10	0.201	462700	0.459
50,001 - 1,00,000	27	0.541	2069550	2.053
1,00,001 - and above	28	0.561	86642520	85.958
Total	4987	100.000	100796820	100.000

Categories of Shareholders as on 31st March, 2020:

As on 31.03.2020, about 97.56% of the total shareholding in the Company representing 98,34,468 shares stood converted into dematerialized form.

Sr. No.	Category	No. of Shares Held	No. of Shares in Demat Form	% of Shareholding
A.	PROMOTERS & PROMOTER GROUP			
	Indian Promoters	71,03,415	70,94,332	70.47
	Foreign Promoters	-	-	-
	Sub Total:	71,03,415	70,94,332	70.47
B.	NON-PROMOTERS HOLDING			
1	INSTITUTIONAL			
	a. Mutual Funds & UTI	1,200	0	0.01
	b. Banks, Financial Institutions, Insurance Companies	5,14,694	5,13,999	5.11
	c. Flls	-	-	-

Sr. No.	Category	No. of Shares Held	No. of Shares in Demat Form	% of Shareholding
2	OTHERS:			
	a. Private Corporate Bodies	5,96,383	5,94,693	5.92
	b. Indian Public (Individuals/HUF)	17,98,487	15,65,941	17.84
	c. NRI's/ OCB's	23,191	23,191	0.23
	d. Clearing Members	2,312	2,312	0.02
	e. NBFCs	40,000	40,000	0.40
	Sub Total:	29,76,267	27,40,136	29.53
	GRAND TOTAL:	1,00,79,682	98,34,468	100.00

There are no outstanding ADR's / GDR's or any Convertible Instruments as on date.

Guidance to Shareholders:

1. The shareholders are requested to communicate their bank details, the change of address, if any, directly to M/s Sharex Dynamic (India) Pvt. Ltd., the Registrar & Share Transfer Agent of the Company located at the addresses mentioned in clause 11 above.
2. In case of lost / misplaced share certificates, shareholders should immediately lodge a FIR / Complaint with the police and submit with the Company, original / certified copy of FIR / acknowledged copy of the complaint and inform the Company to stop transfer of the said shares.
3. For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. SEBI vide its circular dated 27.4.2007 has made it mandatory for transactions involving transfer of shares in physical form for the transferee(s) to furnish a copy of PAN card to the Company / RTAs for registration of such transfer of shares. SEBI vide its circular dated 7.1.2010 has made it mandatory to furnish a copy of PAN in the following cases:-
 - a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
 - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
 - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more Shareholders.
4. The Shareholder, whose signature has undergone any change over a period of time, is requested to lodge their new specimen signature duly attested by a bank manager.
5. Any Shareholder of the Company who has multiple folios in identical names are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.
6. Section 72 of the Companies Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the will etc. it would therefore be in the best interest of shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed of the nomination facility, are requested to avail the same by submitting the nomination form. This form will be made available on request. Shareholders holding shares in demat form are advised to contact their DP's for making nominations.
7. As required by SEBI, shareholders may furnish details of their bank account number and name and address of the bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.
8. Shareholders, holding shares in electronic format are requested to deal only with their depository participants in respect of any change of address, nomination facility and furnishing bank account number etc.

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9. The details of the last dividend transferred to “Investor Education and Protection Fund” (IEPF) in terms of Section 125 of the Companies Act, 2013 [erstwhile Section 205C of the Companies Act, 1956] are as under:

Date of declaration	For the Year	Rate of Dividend	Due date of transfer to IEPF
17.11.2011	2010-2011	@ 10%	14.01.2019

CERTIFICATE ON CORPORATE GOVERNANCE

Certificate on compliance with the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
KESAR ENTERPRISES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Kesar Enterprises Limited (‘the Company’) for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the SEBI Listing Regulations”).

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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 Ragini Chokshi & Co.
(Company Secretaries)

Sd/-

Makarand Patwardhan

Partner

ACS No.: 11872

CP No.: 9031

UDIN : A011872B000403626

Place: Mumbai
Date: 30.06.2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
KESAR ENTERPRISES LIMITED
Oriental House, 7, Jamshedji Tata Road,
Churchgate, Mumbai - 400020.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of KESAR ENTERPRISES LIMITED having CIN: L24116MH1933PLC001996 and having registered office at Oriental House, 7, Jamshedji Tata Road, Churchgate, Mumbai — 400020 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1	HARSH RAJNIKANT KILACHAND	00294835	14.8.2010
2	ANILKUMAR SUSHILKUMAR RUIA	00296622	30.4.2018
3	RANJANA ASHOK SINHA (W)	06989942	20.9.2019
4	MAHESH AMBALAL KUVADIA	07195042	11.7.2016

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 Ragini Chokshi & Co.

Sd/-

Makarand Patwardhan

Partner

C.P. No: 9031

Membership No: ACS: 11872

UDIN: A011872B000402944

Place: Mumbai
Date: 30.06.2020

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DECLARATION

I hereby confirm that the Company has obtained from all the Members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Management Personnel during the Financial Year 2019-20.

Mumbai
7th August, 2020

H R Kilachand
Chairman & Managing Director
DIN: 00294835

CERTIFICATION

Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors Kesar Enterprises Limited

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

1. We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the financial year 2019-20, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee that:
 - (i) there have been no significant changes in internal control over financial reporting during the year;
 - (ii) there have been no significant changes in Accounting Policies during the year; and
 - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over Financial Reporting.

Rohit Balu
Chief Financial Officer

H R Kilachand
Chairman & Managing Director
DIN: 00294835

Mumbai,
7th August, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Kesar Enterprises Limited Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Kesar Enterprises Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 50 in the Ind AS financial statements. For the reason stated in the said note, the management has a reasonable expectation that the Company has adequate resources to continue its operational existence for the foreseeable future, the Ind AS financial statements has been prepared on going concern basis, despite accumulated losses resulting in erosion of its net worth.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section above, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of Inventory (refer note 8 to the Ind AS financial statements)</p> <p>The Company has an inventory of sugar with the carrying value of ₹ 6,850.20 lakhs as on March 31, 2020. The inventory of sugar is valued at the lower of cost and net realizable value (NRV).</p> <p>We have identified valuation of inventory as a key audit matter considering the materiality of the amount involved and significant management judgment involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government authorities in determination of NRV.</p>	<p>Our audit procedures included the following, among others:</p> <p>We understood the inventory process and tested the design and operating effectiveness of controls as established by the management for valuation of inventory and determination of NRV of inventory of sugar.</p> <p>We performed NRV testing by comparing subsequent sale/order value. We also evaluated the reasonableness of management's judgment involved in consideration of various factors including the actual selling price prevailing prior and subsequent to the year end, minimum selling price & monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole; for the purpose of determining the NRV of the inventory.</p>

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Emphasis of Matter

We draw attention to,

- a) Note No 24 to the accompanying Ind AS financial statements. For the reason stated in the said note, the Company has not made provision for finance cost for the financial year amounting to ₹ 2,147.67 Lakhs on borrowings from one of its lender bank pursuant to a one time settlement (OTS) with the lender.
- b) Note 52 to the accompanying Ind AS financial statements, which describes the uncertainties and the management's assessment of the financial impact on the Company due to COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.

Our opinion is not modified in respect of these matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, Management Discussion & Analysis and Corporate Governance Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

On account of the COVID-19 related lockdown restrictions imposed by the government, management was able to perform year end physical verification of inventories at their plant subsequent to the year end. However, we were unable to physically observe the inventory verification carried out by the management. Consequently, we have performed alternate audit procedures to obtain comfort over the existence and condition of inventory at year end, as per the guidance provided in SA-501 "Audit Evidence – Specific considerations for selected items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on this Ind AS financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (1) 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 "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) 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;

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- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. The matter described under the Material Uncertainty Related to Going Concern and Emphasis of Matter section above, in our opinion, may have an adverse effect on the functioning of the Company;
- f. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
- h. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided for any managerial remuneration to its directors during the year. Accordingly, the provisions of section 197 of the Act are not applicable to the Company.

- i. 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, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 35 on Contingent Liabilities to the Ind AS financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande

Partner

Membership No.: 034828

UDIN: 20034828AAAAEQ1374

Place: Mumbai
Date: August 07, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of **Kesar Enterprises Limited** on the Ind AS financial statements for the year ended March 31, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company except for the details given below:

(₹ In lakhs)

Land/ Building	Total number of cases	Leasehold/ Freehold	Gross Block as on March 31, 2020	Net Block as on March 31, 2020	Remarks
Land	6	Freehold	351.69	351.69	Mutation pending with Local Authority

- (ii) The physical verification of inventory have been conducted by the management during the year. Also, physical verification of inventory has been carried out by the management subsequent to the year-end due to lockdown restrictions imposed by the government of India for which roll back procedures have been performed to determine the existence and condition of the inventory as at the year-end. No material discrepancies were noticed on physical verification carried out by the management.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. Further, the Company has complied with the provisions of section 186 of the Act.
- (v) In our opinion, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and rules thereunder. We have broadly reviewed such records 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 with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it, except that there have been slight delay in few cases.
No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues with respect to income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty which have not been deposited on account of any dispute, except for details given below:

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Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	59.93	1989-90 and 1996-97 to 1997-98 and 2002-03 to 2004-05	HIGH COURT, ALLAHABAD
U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	1,333.96	2001-02 to 2010-11 and 2013-14 to 2014-15 and 2016-17	D.C. (A) – Bareilly
Central Excise Act, 1944	Excise Duty – Spirits	1.08	2005-06	Supreme Court
Central Excise Act, 1944	Arrears of Overtime of Excise Personnel	15.72	2006-07 , 2007-08 & 2008-09	High Court, Allahabad
Central Excise Act, 1944	License Fee Payable	0.48	2007-08	A.E.C. (U.P.)
U.P.Trade Tax Act, 1948	Trade Tax	41.31	1987-88 to 1989-90 and 1991-92 to 1997-98, 2008-09	HIGH COURT, ALLAHABAD
Central Excise Act, 1944	Cenvat Credit of Steel Materials	1.44	2012-2013	AC AEX Bareilly
Central Excise Act, 1944	Cenvat Credit on Molasses Received	3,286.21	2012-2013	Commissioner CEX Meerut
Central Excise Act, 1944	Cenvat Credit on Steel Materials	3.35	2014-15	AC AEX Bareilly
Central Excise Act , 1944	Cenvat Credit on Steel Materials	6.67	2011-12	Add Commissioner CEX Meerut
Central Excise Act, 1944	Cenvat Credit on Steel Materials	10.46	2012-2013	Joint Commissioner CEX Meerut
Central Excise Act, 1944	Cenvat Credit on Steel Materials Received	5.13	2012-2013	AC AEX Hapur
Central Excise Act, 1944	Demand of reversal of Cenvat Credit Steel materials	3.48	2008-2009	Dy Comm CEX Bareilly
Central Excise Act, 1944	Demand on Service Tax on Commission	148.15	2014-15	AC AEX Hapur
Central Excise Act, 1944	Denial of Cenvat on MOLASSES Received	273.85	2015-2016	AC AEX Bareilly
Central Excise Act, 1944	Excise Duty – Sale of Bagasse & Press Mud	17.04	2007-08	A.E.C. (U.P.)
Central Excise Act, 1944	Shortage of Sugar/Molasses/ Scrap	308.62	2011-12 & 2012-13	A.E.C. (U.P.)
Central Excise Act, 1944	Wrong Reversal Of CENVAT Credit	240.30	2007-08 to 2016-2017	A.E.C. (U.P.)
Central Excise Act, 1944	Wrong Reversal Of CENVAT Credit	24.14	2004-2005	CESTAT, New Delhi
Central Excise Act, 1944	Wrong Reversal Of CENVAT Credit- Iron & Steel, Welding Electrodes	5.49	2005-2006	Supreme Court SLP No. 24645
Central Excise Act, 1944	Service Tax on Selling Commission to Agents etc.	32.12	2011 to 2015	Joint Commissioner CEX Meerut
Central Excise Act, 1944	Service Tax on Sugar Export Quota	43.89	2011-12	Addl. Commissioner CEX Meerut
Central Excise Act, 1944	Cenvat Credit on Sale of Bagasses	2.79	2015-16	AC AEX Bareilly
Central Excise Act, 1944	CENVAT Credit availed on Molasses	634.45	2012-2013	AC AEX Bareilly
Central Excise Act, 1944 & Central Excise Rules, 2002	Demand of reversal of Cenvat Credit Steel materials/Welding Electrode	19.94	2005-2006 to 2008-2009 and 2011-2012	CESTAT, Allahabad.

KESAR ENTERPRISES LIMITED

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institution, bank, government or dues to debenture holder except for details given below:

(₹ in lakhs)

Particulars	Amount of default as at March 31, 2020 (Less than 12 months) (Excluding Interest)	Amount of default as at March 31, 2020 (more than 12 months) (Excluding Interest)
Banks	-	10,528.72*
Government- (Sugar Development Fund)	249.24	2,795.25

*During the year, the Company has deposited ₹ 3,800.00 lakhs towards One Time settlement (OTS) scheme with Bank.

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). During the year, the Company's one cash credit account has been converted into term loan via scheme of restructuring from the bank and for said converted terms loan, the funds already applied by the company in the past for the purposes for which the loan were obtained.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) The Company has not paid / provided managerial remuneration to its director's during the year. Therefore, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him during the year and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande

Partner

Membership No.: 034828

UDIN: 20034828AAAAEQ1374

Place: Mumbai
Date: August 07, 2020

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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **Kesar Enterprises Limited** on the Ind AS financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Kesar Enterprises Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS 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 with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande

Partner

Membership No.: 034828

UDIN: 20034828AAAAEQ1374

Place: Mumbai

Date: August 07, 2020

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BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at	
		31 st March, 2020	31 st March, 2019
(₹ in Lakhs)			
I ASSETS			
1 Non - Current Assets			
(a) Property, Plant & Equipments	2	46,147.76	45,076.49
(b) Capital Work - in - Progress	2	480.19	1,423.77
(c) Right - of - use asset	2	107.78	-
(d) Intangible Assets	2	7.48	7.48
(e) Financial Assets			
(i) Investments	3	187.98	656.49
(ii) Loans	4	20.53	25.40
(iii) Others	5	196.29	46.90
(f) Deferred Tax Assets (Net)	6	16.94	16.94
(g) Other Non-Current Assets	7	473.52	261.61
2 Current Assets			
(a) Inventories	8	9,398.18	11,446.10
(b) Financial Assets			
(i) Investments	9	-	257.28
(ii) Trade Receivables	10	4,783.17	5,449.99
(iii) Cash and Cash Equivalents	11	942.96	164.81
(iv) Bank Balance other than Cash and Cash Equivalents	12	17.12	165.25
(v) Loans	13	5.88	5.19
(c) Other - Current Assets	14	309.86	177.66
Total Assets		63,095.64	65,181.36
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	15	1,007.97	1,007.97
(b) Other Equity	16	4,322.02	4,603.86
2 Liabilities			
I Non - Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	3,795.84	406.17
(ii) Lease Liability	18	103.03	-
(iii) Others	18A	888.86	-
(b) Provisions	19	839.67	739.84
(c) Other Non - Current Liabilities	20	46.80	51.30
II Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	2,640.50	8,957.68
(ii) Lease Liability	22	9.68	-
(iii) Trade Payables	23		
- Total outstanding dues of micro enterprises and small enterprises		19.81	125.79
- Total outstanding dues of creditors other than micro enterprises and small enterprises		17,930.50	17,613.67
(iv) Others	24	29,319.64	29,999.06
(b) Other Current Liabilities	25	2,012.92	1,532.38
(c) Provisions	26	144.24	127.72
(d) Current Tax Liabilities (Net)	27	14.16	15.92
Total Equity & Liabilities		63,095.64	65,181.36
Significant Accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande

Partner

Membership No. 034828

For and on behalf of the Board of Directors

H R KILACHAND

Chairman & Managing Director

DIN:00294835

A S RUIA

Director

DIN: 00296622

ROHIT BALU

Chief Financial Officer

D J SHAH

Sr. Vice President (Legal)
& Company Secretary

Place: Mumbai

Date: 07th August, 2020

Place: Mumbai

Date: 07th August, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2020

Particulars	Note No.	For the year ended on 31 st March, 2020	(₹ in Lakhs) For the year ended on 31 st March, 2019
I. Revenue from Operations	28	51,783.81	40,311.20
II. Other Income	29	281.83	192.16
III. Total Income (I + II)		52,065.64	40,503.36
IV. EXPENSES			
Cost of Materials Consumed	30	39,113.12	36,215.86
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	31	1,980.58	(3,344.47)
Employee Benefits Expense	32	2,654.54	2,323.53
Finance Costs	33	2,490.51	4,478.19
Depreciation and Amortization Expense	2	1,826.47	1,913.45
Other Expenses	34	3,771.08	2,939.18
Total Expenses		51,836.30	44,525.74
V Loss before Exceptional Items & Tax (III- IV)		229.34	(4,022.38)
VI Exceptional Items		-	-
VII Profit / (Loss) Before Tax (V-VI)		229.34	(4,022.38)
VIII Tax Expense:			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
IX Profit / (Loss) for the Year (VII-VIII)		229.34	(4,022.38)
X Other Comprehensive Income			
(a) Items that will not be reclassified to profit or loss.			
(i) Actuarial loss on defined benefit obligation		(51.35)	(41.38)
(ii) Effect of measuring investment at fair value		(468.52)	(673.40)
(iii) Income tax relating to above items		-	-
(b) Items that will be reclassified to profit or loss.			
(i) Actuarial loss on defined benefit obligation		-	-
(ii) Effect of measuring investment at fair value		-	-
(iii) Income tax relating to above items		-	-
XI Total Comprehensive Income for the Year (IX-X)		(290.53)	(4,737.16)
Earnings Per Equity Share:			
Basic (₹)	44	2.28	(39.91)
Diluted (₹)		2.28	(39.91)
[Nominal Value of Equity Share ₹ 10/- (P.Y. ₹ 10/-)]			
Significant Accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande

Partner

Membership No. 034828

For and on behalf of the Board of Directors

H R KILACHAND

Chairman & Managing Director

DIN:00294835

A S RUIA

Director

DIN: 00296622

ROHIT BALU

Chief Financial Officer

D J SHAH

Sr. Vice President (Legal)
& Company Secretary

Place: Mumbai

Date: 07th August, 2020

Place: Mumbai

Date: 07th August, 2020

Annual Report 2019-2020

CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2020

(₹ in Lakhs)

PARTICULARS	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
A CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT/(LOSS) BEFORE TAX	229.34	(4,022.38)
Non cash adjustments to reconcile profit/(loss) before tax to net cash flow:		
Depreciation and Amortization Expense	1,826.47	1,913.45
Dividend Income	(23.41)	(10.52)
Interest Income	(32.55)	(33.63)
Interest and Finance Charges	2,490.51	4,478.19
Profit on sale of Property, Plant & Equipment (net)	(58.73)	(1.03)
Profit on sale of Investments (net)	(72.18)	(47.94)
Fair Value (gain)/ loss on Investments	-	(4.22)
Credit Balances Written Back	(49.44)	(36.18)
Allowance for bad and doubtful debts	11.98	60.49
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,321.99	2,296.23
Movements in working Capital		
(Increase) / Decrease in Inventories	2,047.91	(3,406.20)
(Increase) / Decrease in Trade Receivables	663.53	(2,612.12)
Decrease / (Increase) in Financial Assets - Loans (current)	(0.69)	21.98
Increase / (Decrease) in Financial Assets - Bank Balance	148.13	(14.08)
(Increase) / Decrease in Financial Assets - Loans (Non-current)	4.87	(3.68)
Decrease / (Increase) in Financial Assets - Other (Non-current)	(211.91)	26.39
(Increase) / Decrease in Other Current Assets	(132.19)	(34.74)
Increase in Trade Payables	260.27	6,728.58
Increase in Other Current Liabilities	722.39	73.91
Increase in Current Liabilities Provisions (Employee Benefits)	16.51	6.74
(Decrease) in Other Non - Current Liabilities	(4.50)	(11.21)
Increase in Non - Current Liabilities Provisions	89.85	7.04
CASH GENERATED FROM OPERATIONS	7,926.16	3,078.84
Taxes (Paid)/ Refunds	(1.76)	(2.01)
NET CASH GENERATED FROM OPERATING ACTIVITIES	7,924.40	3,076.83
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant & Equipment including Intangible Assets & CWIP	(2,091.48)	(1,522.79)
Sale/Scrap of Property, Plant & Equipment	1.34	15.24
Sale/ (Purchase) of Investments (Excluding Diminution) (Net)	253.06	(261.50)
Sale/(Purchase) of Investments (Net)	(0.01)	0.50
Proceeds from / (Invested in) Fixed Deposits	(145.35)	122.21
Interest Received	11.43	11.45
Dividend Received	23.41	10.52
NET CAHS (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(1,947.60)	(1,624.37)

KESAR ENTERPRISES LIMITED

PARTICULARS	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
(₹ in Lakhs)		
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Borrowings	(4,466.39)	(1,335.07)
Dividends Paid	-	(1.17)
Payment of Lease Liabilities	(20.93)	-
Interest Paid	(711.33)	(132.68)
NET CASH USED IN FINANCING ACTIVITIES	(5,198.65)	(1,468.92)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	778.15	(16.46)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	164.81	181.27
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	942.96	164.81
COMPONENT OF CASH AND CASH EQUIVALENTS		
Cash on Hand	7.35	8.99
Balance with Bank on Current Account	935.61	70.82
Balance with Bank on Fixed Deposits Accounts with original maturity of less than 3 months	-	85.00
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE YEAR	942.96	164.81

Note 1 : The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind-AS 7) - Statement of Cash Flow.

Note 2 : The Amendments to Ind As 7 Cash Flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash flows changes, suggesting inclusion of reconciliation between the opening and closing balance in balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st april 2017 and the require disclosure is made below. There is no other impact on financial Statements due to this amendment.

Reconciliation of Opening and Closing of Finance Activities of Cash Flow Statements:

PARTICULARS	As at March 31, 2019	Net Cash Flow	Non Cash Changes		As At March 31, 2020
			Fair Value Changes	Current/ Non Current Classification	
Borrowings Non current	406.17	0.00	(17.00)	3,372.67	3,795.84
Other Financial Liabilities	19,384.82	(4,446.39)	-	2,924.50	17,862.93
Borrowings current	8,957.68	(20.00)	-	(6,297.18)	2,640.50

Note : Figures in brackets are outflows.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828

Place: Mumbai
Date: 07th August, 2020

For and on behalf of the Board of Directors

H R KILACHAND
Chairman & Managing Director
DIN:00294835

A S RUIA
Director
DIN: 00296622

ROHIT BALU
Chief Financial Officer

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

Place: Mumbai
Date: 07th August, 2020

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The Company is incorporated on 01.08.1933. The Company deals in the production of Sugar, Spirits & Bagasse based Power. The Plants are located at Baheri, Uttar Pradesh.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and presentation requirements of Division II of Schedule III to the Act (Ind AS compliant Schedule III).

The accounting policies are applied consistently to all the periods presented in the financial statements.

(b) Basis of Measurement

The financial statements have been prepared on historical cost basis except the following:

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans- plan assets measured at fair value.
- Land, Building and Plant & Equipments are carried at the revalued amount.

(c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period or the asset 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 period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period and there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(d) The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees and all values are rounded to the nearest Lakhs, except when otherwise stated.

(e) Use of Estimates

The preparation of financial statements are in conformity with recognition and measurement principles of Ind-AS and requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of the revenue and expenses during the reporting period and disclosures of contingent liabilities as of the date of the financial statements. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in notes to the financial statements.

Key accounting estimates

i) Income taxes:

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

ii) Defined Benefit Obligation:

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves

making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

iii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(f) Revenue Recognition

The Company derives revenue primarily from sale of manufactured goods.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products.

The Company does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Group performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance obligation is satisfied.

For performance obligation where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products and services is recognised at a time on which the performance obligation is satisfied.

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

Interest income is recognized using the effective interest rate (EIR) method.

Insurance Claims are accounted when the right to receive payment is established.

(g) Property Plant and Equipment

Property, plant and equipment are stated at cost including amounts added on revaluation for Land, Building & Plant & Equipment, less accumulated depreciation and impairment loss, if any. The cost of property, plant and equipment comprises its purchase price, non-refundable duties and taxes and any cost directly attributable to bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.

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Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

(h) Depreciation is provided in following manner:

- (i) Premium on Leasehold Land is amortised over the period of lease.
- (ii) Depreciation on Assets taken on lease has been provided on a Straight Line Method based on remaining useful life of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- (iii) For all other assets, depreciation is provided on a Written Down Value Method based on remaining useful life of the assets in compliance with the provisions as specified in Schedule II of the Companies Act, 2013.
- (iv) The estimated useful life of the property, plant and equipments are as given below :

Description of Asset	Useful Life
Buildings	30-60 years
Road	10 years
Plant & Equipments	25 years
Electrical Installation	10 years
Office Equipments	5 years
Vehicles	8 years
Furniture & Fixtures	10 years
Computer	3 years
Computer Software	6 years

- (v) Depreciation on Assets, whose actual cost does not exceed ₹ 0.05 Lakh for each asset is provided at the rate of hundred percent.
- (vi) Depreciation on revalued portion is provided for the balance estimated useful life of the respective assets.
- (vii) For property, plant and equipments added / disposed off during the year, depreciation has been provided on a pro-rata basis with reference to the period, at the applicable rates.

(i) Capital Work-in-Progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress..

(j) Borrowing Costs:

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

(k) Leases:

The Company as a Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of

twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the standard Ind AS 116, but discounted at the lessee's incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

(l) Impairment of Non-Financial Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets

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that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. An impairment loss is recognized in the Statement of Profit and Loss. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(m) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial Instruments are further divided in two parts viz. Financial Assets and Financial Liabilities.

Part I - Financial Assets

i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

– Financial Asset at amortised cost:

A Financial Asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income and the losses arising from impairment are recognised in the Statement of Profit and Loss.

– Financial Asset at FVTOCI (Fair Value through Other Comprehensive Income)

A Financial Asset is classified as at the FVTOCI if following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows (i.e. SPPI) and selling the financial assets

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

– Financial Assets at FVTPL (Fair Value through Statement of Profit and Loss)

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iii) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities deposits, trade receivables and bank balance;
- Financial assets that are debt instruments and are measured as at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk

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has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

Part II - Financial Liabilities

i) Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, payables, are also classified as above.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Statement of Profit and Loss

Financial liabilities at fair value through Statement of Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through the Statement of Profit and Loss is designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value, gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains / losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through the Statement of Profit and Loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities under borrowings. The dividends on these preference shares, if any are recognised in the Statement of Profit and Loss as finance cost.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

iii) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(n) Inventories

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(o) Foreign Currency Transactions

Transactions in foreign currencies are accounted at the initially recorded exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year-end rates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss. In case of forward contracts (non speculative), the premium or discount being the differences between the forward exchange rate and the exchange rate at the inception of the contract is recognized as expense or income over the life of the contract. The exchange difference either on settlement or translation is recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are reported using the exchange rate prevalent at the date of transaction.

(p) Intangible assets - Research & Development Expenditure

Expenditure during Research phase is charged off to the statement of Profit and Loss in the year in which it is incurred and expenditure during Development phase is recognised as intangible assets, if it is materialized, else it is charged off to the statement of Profit and Loss in the year where it is not materialized.

(q) Earnings per Share

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

(r) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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(s) Tax Expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity. In which case, the tax is also recognised in other comprehensive income or directly in equity respectively.

- Current tax

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and tax laws that are applicable to the Company.

- Deferred tax

Deferred tax is recognised 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 and assets are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognized outside the Statement of Profit and Loss are recognized outside the Statement of Profit and Loss, either in other comprehensive income or directly in equity.

- Minimum Alternate Tax (MAT)

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT credit entitlement. The Company review the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period

(t) Segment Reporting

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

(u) Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

(v) Contingent Liabilities and Contingent Assets

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

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent assets are neither recognized nor disclosed, in the financial statements except there is a virtual certainty to receive the same.

(w) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value.

(x) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is netted off with the related costs, which they are intended to compensate. Where the grant relates to property, plant and equipments, it is netted off with the specified property, plant and equipments if grants related to specific property, plant and equipments otherwise netted off on pro rata basis to all eligible property, plant and equipments.

The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

Particulars	₹ in Lakhs)							Total Equity		
	Equity Share Capital	Capital Reserve	Securities Premium Reserve	Revaluation Reserves	Reserves and Surplus Storage and Effluent Disposal Reserves:	Other Equity General Reserve	Retained Earning		Comprehensive Income	Other Total Equity
As at April 1, 2018	1,007.97	67.90	801.05	27,186.24	69.28	4,225.35	(24,481.63)	1,468.91	9,337.10	10,345.07
Profit/(Loss) for the Year							(4,063.76)		(4,063.76)	(4,063.76)
Addition during the Year					3.92			(673.40)	(669.48)	(669.48)
Transfer to General Reserve				(1,011.32)					(1,011.32)	(1,011.32)
Transfer From Revaluation Reserve						1,011.32			1,011.32	1,011.32
As at March 31, 2019	1,007.97	67.90	801.05	26,174.92	73.20	5,236.67	(28,545.39)	795.51	4,603.86	5,611.83
Profit/(Loss) for the Year							177.99		177.99	177.99
Addition during the Year					8.69			(468.52)	(459.83)	(459.83)
Transfer to General Reserve				(786.14)					(786.14)	(786.14)
Transfer From Revaluation Reserve						786.14			786.14	786.14
As at March 31, 2020	1,007.97	67.90	801.05	25,388.78	81.89	6,022.81	(28,367.40)	326.99	4,322.02	5,329.99

The accompanying notes are an integral part of the financial statements
As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828

Place: Mumbai
Date: 07th August, 2020

For and on behalf of the Board of Directors

H R KILACHAND
Chairman & Managing Director
DIN:00294835

A S RUJA
Director
DIN: 00296622

ROHIT BALU
Chief Financial Officer

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

Place: Mumbai
Date: 07th August, 2020

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020

2. PROPERTY, PLANT AND EQUIPMENTS, CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS (Owned, Unless stated otherwise)
(₹ In Lakhs)

Particulars/ Assets	Free hold Land	Lease hold Land Premium	Lease hold Land	Buildings	Plant & Equipments	Office Equipments	Vehicles	Furniture & Fixtures	Tangible Assets Sub Total	Capital Work in Progress	Computer Software	Right of use Assets	Total Assets
Gross Carrying amount													
Balance as at April 1, 2018	9,481.14	0.06	6,748.57	9,821.33	38,718.57	551.21	229.59	529.53	66,080.00	21.11	130.43	-	66,231.54
Additions	-	-	-	229.64	-	11.56	17.23	5.61	264.05	1,415.86	3.04	-	1,682.94
Deductions/ Disposals	-	-	-	-	-	2.13	-	4.48	6.61	13.20	-	-	19.81
Balance as at March 31, 2019	9,481.14	0.06	6,748.57	9,821.33	38,948.21	560.64	246.82	530.66	66,337.44	1,423.77	133.47	-	67,894.68
Additions	90.02	-	-	-	2,787.32	31.61	-	2.44	2,911.39	1,405.26	-	120.73	4,437.38
Deductions/ Disposals	26.00	-	-	-	-	4.69	-	2.28	32.97	2,348.84	-	-	2,381.81
Balance as at March 31, 2020	9,545.16	0.06	6,748.57	9,821.33	41,735.53	587.56	246.82	530.82	69,215.86	480.19	133.47	120.73	69,950.25
Accumulated Depreciation / Amortisation													
As at April 1, 2018	-	0.04	342.89	4,643.19	13,187.35	526.80	218.62	435.07	19,353.96	-	125.14	-	19,479.10
Depreciation charge for the year	-	-	59.01	557.18	1,260.01	6.48	1.49	28.43	1,912.60	-	0.85	-	1,913.45
Deductions/ Disposals	-	-	-	-	-	1.71	-	3.91	5.62	-	-	-	5.62
Balance as at March 31, 2019	-	0.04	401.90	5,200.37	14,447.36	531.57	220.11	459.59	21,260.94	-	125.99	-	21,386.93
Depreciation charge for the year	-	-	56.68	439.96	1,274.27	17.23	5.10	20.28	1,813.52	-	-	12.95	1,826.47
Deductions/ Disposals	-	-	-	-	-	4.52	-	1.84	6.36	-	-	-	6.36
Balance as at March 31, 2020	-	0.04	458.58	5,640.33	15,721.63	544.28	225.21	478.03	23,068.10	-	125.99	12.95	23,207.04
Net Carrying amount													
As at March 31, 2020	9,545.16	0.02	6,289.99	4,181.00	26,013.90	43.28	21.61	52.80	46,147.76	480.19	7.48	107.78	46,743.21
As at March 31, 2019	9,481.14	0.02	6,346.67	4,620.96	24,500.85	29.07	26.71	71.07	45,076.49	1,423.77	7.48	-	46,507.74

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3. INVESTMENTS

PARTICULARS

(₹ in Lakhs)

As at
31st March, 2020

As at
31st March, 2019

Other Investments

(a) In fully paid Equity Shares through FVTPL (Unquoted)

(i) 300 Shares of ₹ 100/- each (P.Y.: 300 Shares of ₹ 100/- each) of U.P. Seeds & Tarai Development Corporation Ltd.	0.30	0.30
(ii) 5 Shares of ₹ 10/- each (P.Y.: 5 Shares of ₹ 10/- each) of Baheri Co-operative Cane Development Union Ltd.	-	-
(iii) 17 Shares of ₹ 20/- each (P.Y.: 17 Shares of ₹ 20/- each) of Sahakari Ganna Vikas Samiti Ltd.	-	-
(iv) 1 Share of ₹ 100/- (P.Y.: 1 Share of ₹ 100/-) of Ganna Beej Nigam, Bareilly	-	-
(v) 1 Share of ₹ 20/- (P.Y.: 1 Share of ₹ 20/-) of Bhojeeppura Co-operative Cane Development Union Ltd.	-	-
(vi) 10 Shares of ₹ 1000/- each (P.Y.: 10 Shares of ₹ 1000/- each) of Antophill Warehousing Company Ltd.	0.10	0.10

Total

0.40

0.40

(b) In fully paid Equity Shares Through FVTOCI (Quoted)

10,40,000 Shares of ₹ 5/- each (P.Y.: 10,40,000 Shares of ₹ 5/- each) of Kesar Terminals and Infrastructure Limited.	186.68	655.20
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(c) Investment in Government Security (At amortised Cost)

National Savings Certificates (Lodged as security deposit)	0.90	0.89
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Total

187.58

656.09

Total (a+b+c)

187.98

656.49

Aggregate amount of Unquoted Investment Carried at Cost

1.30

1.29

Aggregate amount of Quoted Investment at Market Value

186.68

655.20

Total

187.98

656.49

4. LOANS

(a) Security Deposits	20.53	25.40
(b) Other Loans and Advances		
Unsecured, considered good	-	-
Loans Receivable - credit impaired	47.00	47.00
	47.00	47.00
Less: Allowance for bad and doubtful loans and advances	47.00	47.00
	-	-
Total	20.53	25.40

5. OTHERS

(a) Fixed Deposits with Bank (Under lien for issuing various Bank Guarantees in favour of Government authorities)	174.75	29.40
(b) Interest Accrued on Bank Fixed Deposits	21.08	17.09
(c) Interest Accrued on Investments	0.46	0.41
Total	196.29	46.90

KESAR ENTERPRISES LIMITED

6. DEFERRED TAX ASSETS (NET) PARTICULARS	As at 31 st March, 2020	(₹ in Lakhs) As at 31 st March, 2019
MAT Credit entitlement	16.94	16.94
Total	<u>16.94</u>	<u>16.94</u>
7. OTHER NON-CURRENT ASSETS		
(a) Capital Advance	235.48	-
(b) Balance with Government Authorities	238.04	261.61
Total	<u>473.52</u>	<u>261.61</u>
8. INVENTORIES		
(a) Raw Materials and components		
(i) Molasses	-	0.36
(ii) Malt Spirit	8.33	8.33
	<u>8.33</u>	<u>8.69</u>
(b) Work-in-progress		
(i) Sugar	280.38	499.44
(ii) Molasses	41.51	12.82
	<u>321.89</u>	<u>512.26</u>
(c) Finished goods		
(i) Sugar	6,850.20	9,332.66
(ii) Spirits	482.81	4.67
(iii) Banked Power	27.70	13.73
	<u>7,360.71</u>	<u>9,351.06</u>
(d) By - Products		
(i) Molasses	801.18	245.20
(ii) Press Mud	0.91	-
(iii) Bagasses	578.76	935.51
	<u>1,380.85</u>	<u>1,180.71</u>
(e) Stores and spares	326.40	393.38
Total	<u>9,398.18</u>	<u>11,446.10</u>
9. CURRENT INVESTMENTS		
Investment in Mutual Funds (Unquoted)		
Nil (Previous Year 6,99,463 Units) in HDFC Liquid Fund	-	257.28
Total	<u>-</u>	<u>257.28</u>
Aggregate amount of Unquoted Investment at Market Value (NAV)	-	257.28
Aggregate Cost of Unquoted Investment	-	253.06
10. TRADE RECEIVABLES		
(a) Trade Receivables - considered good	4,783.17	5,449.99
(b) Trade Receivables - credit impaired	421.37	439.41
	<u>5,204.54</u>	<u>5,889.40</u>
Less: Allowance for bad and doubtful receivable	421.37	439.41
Total	<u>4,783.17</u>	<u>5,449.99</u>

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11. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	As at 31 st March, 2020	As at 31 st March, 2019
Cash & Cash Equivalent		
(a) Balance with Bank		
(i) On Current Account	935.61	70.82
(ii) On Fixed Deposits Accounts with original maturity of less than 3 months	-	85.00
(b) Cash on hand	7.35	8.99
Total	942.96	164.81

12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Fixed deposit with Bank (More than 3 months & less than 12 months)	17.12	165.25
Total	17.12	165.25

13. LOANS

(Unsecured, Considered good) Advances to Employees	5.88	5.19
Total	5.88	5.19

14. OTHER - CURRENT ASSETS

Others (advance excise duty, advance to supplier & Others)	309.86	177.66
Total	309.86	177.66

15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

PARTICULARS	As at 31 st March, 2020		As at 31 st March, 2019	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10/- each	1,20,00,000	1,200.00	1,20,00,000	1,200.00
Preference Shares of ₹ 10/- each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued, Subscribed & Paid up				
Equity Shares of ₹ 10/- each	1,00,79,682	1,007.97	1,00,79,682	1,007.97
Total	1,00,79,682	1,007.97	1,00,79,682	1,007.97

(a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity Shares Outstanding	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10,079,682	1,007.97	10,079,682	1,007.97
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,00,79,682	1,007.97	1,00,79,682	1,007.97

(b) Terms/rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10/- per Share. Each Holder of Equity Shares is entitled to one vote per Share. The Company declares and pays Dividends in Indian Rupees. The Dividend, if proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except for interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their holdings.

(c) Details of Shareholders holding more than 5% Shares in the Company

Equity Shareholder Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kesar Corporation Pvt. Ltd.	24,62,695	24.43	23,37,922	23.19
Seel Investments Pvt. Ltd.	32,25,699	32.00	32,25,699	32.00
H R Kilachand	6,01,401	5.96	6,01,401	5.96

16. OTHER EQUITY

PARTICULARS

(₹ in Lakhs)

	As at 31 st March, 2020	As at 31 st March, 2019
(a) Capital Reserves	67.90	67.90
(b) Securities Premium		
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.		
Opening Balance	801.05	801.05
Closing Balance	801.05	801.05
(c) Revaluation Reserves		
Revaluation Reserve is created on revaluation of class of assets comprise of difference between book value and revalued value. The reserve is utilised in accordance with the provision of the Companies Act, 2013.		
Opening Balance	26,174.92	27,186.24
Less: Transfer to General Reserve	786.14	1,011.32
Closing Balance	25,388.78	26,174.92
(d) Storage and Effluent Disposal Reserves:		
(Refer Note No 37)		
This Reserves has been created for provision and maintenance of adequate storage facility as required under Uttar Pradesh Sheera Niyantaran (Sansodhan) Adesh, 1974.		
(i) Storage Reserves for Alcohol:		
Opening Balance	5.26	5.26
Add: Current Period Transfer	0.15	-
Closing Balance	5.41	5.26
(ii) Storage Reserves for Molasses:		
Opening Balance	62.35	58.43
Add: Current Period Transfer	8.38	3.92
Closing Balance	70.73	62.35
(iii) Effluent Disposal Reserves		
Opening Balance	5.59	5.59
Add: Current Period Transfer	0.16	-
Closing Balance	5.75	5.59
(e) General Reserve		
This represents appropriation of profit after tax by the company.		
Opening Balance	5,236.67	4,225.35
Add: Transfer from Revaluation Reserve	786.14	1,011.32
Closing Balance	6,022.81	5,236.67
(f) Retained Earning		
This comprise company's Profit/(Loss)		
Opening Balance	(28,545.39)	(24,481.63)
Other Comprehensive Income	(51.35)	(41.38)
Less: Net Profit / (Loss) for the Year	229.34	(4,022.38)
Closing Balance	(28,367.40)	(28,545.39)
(g) Other Comprehensive Income (OCI)		
Opening Balance	795.51	1,468.91
Other Comprehensive Income	(468.52)	(673.40)
Closing Balance	326.99	795.51
Total	4,322.02	4,603.86

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NON CURRENT LIABILITIES

FINANCIAL LIABILITIES

17. BORROWINGS

PARTICULARS

(₹ in Lakhs)

As at
31st March, 2020 31st March, 2019

(a) Secured Borrowings

Term Loans from Banks

(1) Sugar Development Fund (Modernisation Loan) (As appearing in the books)

181.55 272.33

Security: Secured by way of first pari passu charge on Properties of the Sugar Factory at Baheri both present and future

Terms of Repayments:

Tranche I: Repayable in 5 annual installments of ₹ 44.05 Lakhs each, starting from August 3, 2018 to August 3, 2022.

Tranche II: Repayable in 5 annual installments of ₹ 46.72 Lakhs each, starting from August 15, 2018. to August 15, 2022.

(2) U P Co Operative Bank Ltd. (Term Loan)

3,463.45 -

(Refer Note No: 21)

Cash Credit Limits converted to Term Loan during the Year

Security: Secured by pledge of Stocks of Sugar and further secured by second pari passu charge on Fixed Assets of Sugar Division

Terms of Repayments: Repayable in 8 half yearly installments from August 2019 to Feb 2023

Rate of Interest: ranging from 4% to 10.25% p.a. for above (1 & 2) Two loans

Total Secured Borrowings

3,645.00 272.33

(Out of the total secured borrowings of ₹ 19,511.83 Lakhs (P.Y. ₹ 13,845.54 Lakhs), borrowings of ₹ 1,996.10 Lakhs (P.Y. ₹ 13,573.21 Lakhs) having current maturities, have been disclosed in Note No: 24)

(b) Unsecured Borrowings

Loans from Related Parties

150.84 133.84

(Refer Note No 41)

Total Unsecured Borrowings

150.84 133.84

Total

3,795.84 406.17

Details of Default in repayment of principal Instalment & Interest PARTICULARS

(₹ in Lakhs)

As on March 31, 2020

	Banks	Others	Total
0-90 Days	-	-	-
90-180 Days	-	-	-
More Than 180 Days	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>

Details of Default in repayment of principal Instalment & Interest PARTICULARS

(₹ in Lakhs)

As on March 31, 2019

	Banks	Others	Total
0-90 Days	-	-	-
90-180 Days	-	-	-
More Than 180 Days	-	27.33	27.33
Total	<u>-</u>	<u>27.33</u>	<u>27.33</u>

KESAR ENTERPRISES LIMITED

18. LEASE LIABILITY	(₹ in Lakhs)	
PARTICULARS	As at 31 st March, 2020	As at 31 st March, 2019
Lease Liability	103.03	-
Total	103.03	-

18A. OTHERS LONG TERM LIABILITIES		
Interest Payable on U P Co Op Bank - Term Loan	888.86	-
Total	888.86	-

19. PROVISIONS		
Provision for Employees Benefits		
(i) Leave Encashment (Non funded)	92.80	76.72
(ii) Gratuity (Funded)	746.87	663.12
Total	839.67	739.84

20. OTHER NON CURRENT LIABILITIES		
Deposits from Dealers & Customers (Repayable on cancellation of distributionship and Interest at rate of 9% p.a.)	46.80	51.30
Total	46.80	51.30

FINANCIAL LIABILITIES

21. BORROWINGS		
(a) Secured Loans from Banks		
Cash Credit Facilities		
U. P. Co - Operative Bank	-	6,297.18
(As appearing in the books) Refer Note No.17 - Cash Credit Limits Converted to Term Loan during the year		
Security: Secured by pledge of Stocks of Sugar and further secured by second pari passu charge on Fixed Assets of Sugar Division		
(b) Unsecured loans from Banks		
From UCO Bank	2,640.50	2,660.50
(as appearing in books)		
Rate of Interest in the range of 9% to 10.25% (a & b)		
Total	2,640.50	8,957.68

Details of Default in repayment of Principal Instalment & Interest	(₹ in Lakhs)	
PARTICULARS	As on March 31, 2020	As on March 31, 2019
	Banks	Banks
0-90 Days	-	70.19
90-180 Days	-	66.39
More Than 180 Days	2,640.50	3,558.12
Total	2,640.50	3,694.70

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22. LEASE LIABILITY (CURRENT)		(₹ in Lakhs)	
PARTICULARS	As at 31 st March, 2020	As at 31 st March, 2019	
Lease Liability	9.68	-	
Total	9.68	-	
23. TRADE PAYABLES			
For goods and services received			
(a) Total outstanding dues of micro enterprises and small enterprises (Refer note no. 38)	19.81	125.79	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17,930.50	17,613.67	
Total	17,950.31	17,739.46	
24. OTHERS			
(a) Current maturities of Long Term Debts			
Current maturities of Long Term Debts - Secured Borrowings (As appearing in the books) (Refer Note no. 17 & Note No. 1 below)	5,338.11	3,044.49	
(b) Recalled Long Term Borrowings including Interest (Secured) (As appearing in the books) (Refer Note No. 2 & 3 below)	16,163.84	15,168.93	
(c) Recalled Short Term Borrowings including Interest (Secured) (As appearing in the books) (Refer Note No. 4 below)	4,293.19	8,108.70	
(d) Interest accrued but not due on Borrowings	228.85	164.05	
(e) Interest accrued and due on Borrowings	3,295.65	3,512.89	
Total	29,319.64	29,999.06	

(1) Sugar Development Fund (Co-Gen Term Loan)

Security: Secured by way of first pari passu charge on Properties of the Sugar Factory at Baheri both present and future.

Terms of Repayments:

Tranche I: Repayable in 10 half yearly installments of ₹ 159.77 Lakhs each, starting from July 4, 2014 to January 4, 2019.

Tranche II: Terms of Repayments: Repayable in 10 half yearly installments of ₹ 158.47 Lakhs each, starting from March 2015 to September 2019.

(2) Allahabad Bank (Cogen Term Loan)

Primary Security: Secured by way of first pari passu charge on all Fixed Assets of Sugar, Distillery and Power Division both present and future at Baheri. Secured by way of 1st pari passu charge on the Current Assets of Power Division at Baheri both present and future.

Collateral Security: Secured by way of 2nd pari passu charge on the Current Assets of Sugar and Distillery Division at Baheri (except Sugar Stocks pledge) both present and future.

Personal Guarantee: Personal Guarantee of Shri H R Kilachand

In December 2019, the bank has sanctioned a One Time Settlement (OTS) proposal given by the Company wherein the Company's then existing liability of ₹ 17,470 Lakhs settled for ₹ 5,500 Lakhs, subject to payment of the entire amount by 31st March 2020. Due to the outbreak of novel corona virus pandemic in March 2020 the company's cash flows were affected and company could pay ₹ 3,800 lakhs by 31st March, 2020. The Company requested the bank for extending the tenure of the balance OTS payment period by 6 months. The Company has

by 31st July, 2020 paid the full OTS amount of ₹ 5,500 Lakhs. In this circumstances, the Company has not made provision for finance cost pertaining to the above borrowings for the financial year amounting to ₹ 2,147.67 Lakhs. Effects arising out of completion of the OTS will be given on receipt of “No Dues Certificate” from the Bank and settlement of interest for the extended period of the OTS.

Terms of Repayments (original): Repayable in 24 quarterly instalments of ₹ 182.21 Lakhs & 45.00 Lakhs each, starting from quarter ending September 2016 to June 2022 as per bilateral debt restructuring plan.

(3) UCO Bank (Cogen Term Loan)

Primary Security: Secured by way of first pari passu charge on all Fixed Assets of Sugar, Distillery and Power Division at Baheri both present and future, and 1st pari passu charge on the Current Assets of Power Division at Baheri both present and future.

Collateral Security: Secured by way of 2nd pari passu charge on the Current Assets of Sugar and Distillery Division at Baheri (except Sugar Stocks pledge) both present and future.

Personal Guarantee: Personal Guarantee of Shri H R Kilachand

Terms of Repayments: Repayable in 24 quarterly instalments of ₹ 171.29 Lakhs & ₹ 42.17 Lakhs each, starting from quarter ending September 2016 to June 2022 as per bilateral debt restructuring plan.

(4) Allahabad Bank (Cash Credit)

Security:

Sugar Division: Secured by pledge of Sugar Stock and second pari passu charge on Fixed Assets of Sugar and Spirit Division

Spirit Division: Secured by way of hypothecation of Current Assets of Sugar Division (except Sugar Stock pledged) & Spirit Division and by second pari passu charge on Fixed Assets of Sugar & Spirit Division at village Baheri (U.P.)

Seed Division: Secured by way of hypothecation of Current Assets of Seed Division and second pari passu charge on Fixed Assets of Sugar & Spirit Division at village Baheri (U.P.)

In December 2019, the bank has sanctioned a One Time Settlement (OTS) proposal given by the Company wherein the Company's then existing liability of ₹ 17,470 Lakhs settled for ₹ 5,500 Lakhs, subject to payment of the entire amount by 31st March 2020. Due to the outbreak of novel corona virus pandemic in March 2020 the company's cash flows were affected and company could pay ₹ 3,800 lakhs by 31st March, 2020. The Company requested the bank for extending the tenure of the balance OTS payment period by 6 months. The Company has by 31st July, 2020 paid the full OTS amount of ₹ 5,500 Lakhs. In this circumstances, the Company has not made provision for finance cost pertaining to the above borrowings for the financial year amounting to ₹ 2,147.67 Lakhs. Effects arising out of completion of the OTS will be given on receipt of “No Dues Certificate” from the Bank and settlement of interest for the extended period of the OTS.

Details of Default in repayment of Principal Instalment & Interest

(₹ in Lakhs)

Particulars	As on March 31, 2020		
	Banks	Others	Total
0-90 days	326.10	145.88	471.98
90-180 days	325.75	145.37	471.12
More than 180 days	21,127.40	4,726.66	25,854.06
Total	21,779.25	5,017.91	26,797.16

Details of Default in repayment of Principal Instalment & Interest

(₹ in Lakhs)

Particulars	As on March 31, 2019		
	Banks	Others	Total
0-90 days	4,576.38	583.82	5,160.20
90-180 days	1,398.57	-	1,398.57
More than 180 days	9,193.98	3,628.56	12,822.54
Total	15,168.93	4,212.38	19,381.31

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25. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS

	As at 31 st March, 2020	As at 31 st March, 2019
(a) Advance received from Customers	923.66	299.13
(b) Payable to Related Party (Refer Note No 41)	268.96	251.67
(c) Statutory Dues	71.74	53.39
(d) Payables for Capital Goods	290.88	498.54
(e) Payables for Other Contractual Obligations	369.60	324.49
(f) Others Payables	88.08	105.16
Total	2,012.92	1,532.38

26. PROVISIONS

Provision for Employees Benefits

(a) Gratuity (Funded)	105.58	96.79
(b) Leave Encashment (Unfunded)	38.66	30.93
Total	144.24	127.72

27. CURRENT TAX LIABILITIES (NET)

Provision of Income Tax [Net of Advance Payment of Income Tax ₹ 134.24 Lakhs (P.Y. ₹ 115.55 Lakhs)]	14.16	15.92
Total	14.16	15.92

28. REVENUE FROM OPERATIONS

PARTICULARS

For the year ended For the year ended
on 31st March, 2020 on 31st March, 2019

(a) Sale of Products

Manufactured Goods

(i) Sugar (Net)	44,436.30	32,580.98
(ii) Power	4,401.15	7,156.16
(iii) Spirits	1,048.20	-
(iv) By - Products	988.01	59.57
Less: Transferred to Molasses & Alcohol Storage Reserves and Effluent Disposal Reserves	(8.68)	(3.92)

Total (a)

50,864.98

39,792.79

(b) Other Operating Revenue

(a) Scrap Sale	57.80	43.73
(b) Sale of Renewable Energy Certificate (REC)	435.61	285.22
(c) Sale of Pesticide	412.26	168.93
(d) Sundry Income	13.16	20.53

Total (b)

918.83

518.41

Total (a+b)

51,783.81

40,311.20

29. OTHER INCOME

(₹ in Lakhs)

PARTICULARS	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
(a) Dividend Income	23.41	10.52
(b) Interest Income		
(i) On Fixed Deposits	15.10	16.25
(ii) On Income Tax Refund	-	0.19
(ii) Others	17.45	17.19
(c) Rent	45.52	55.44
(d) Credit Balance Written Back	49.44	36.18
(e) Profit on Sale of Property, Plant and Equipment (Net)	58.73	1.03
(f) Net Gain on sale of Financial Asset	72.18	47.94
(g) Net Gain arising on Financial Asset measured at FVTPL	-	4.22
(h) Insurance Claims received	-	3.20
Total	281.83	192.16

30. COST OF MATERIAL CONSUMED

(i) Raw Materials Consumed		
(a) Sugar Cane		
Opening Stock	-	-
Add: Purchases	38,127.79	35,289.53
Less: Closing Stock	-	-
Consumption	38,127.79	35,289.53
(b) Molasses & Spirits		
Opening Stock	8.70	8.70
Add: Purchases	24.84	-
Less: Closing Stock	8.34	8.70
Consumption	25.20	-
(c) Bagasse	587.99	555.78
(ii) Packing Material Consumed	372.14	370.55
Total	39,113.12	36,215.86

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

(a) Opening Stock		
Finished Goods	9,351.06	6,142.24
Work-in-Progress	512.26	512.77
By Products	1,180.70	1,044.53
	11,044.02	7,699.54
(b) Closing Stock		
Finished Goods	7,360.71	9,351.06
Work-in-Progress	321.87	512.25
By Products	1,380.86	1,180.70
	9,063.44	11,044.01
Net Change	1,980.58	(3,344.47)

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32. EMPLOYEE BENEFIT EXPENSES

PARTICULARS

(₹ in Lakhs)

	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
(a) Salaries and Wages	2,342.04	2,059.46
(b) Gratuity expenses	91.67	85.44
(c) Contribution to Provident fund	180.13	152.17
(d) Contribution to Superannuation scheme	8.29	7.23
(e) Staff Welfare	32.41	19.23
Total	2,654.54	2,323.53

33. FINANCE COSTS

- (a) Interest Expense
- (i) On Term Loan
- (ii) On Cash Credit
- (iii) On Short Term Borrowings
- (b) Others Financial charges

Total

(i) On Term Loan	1,553.21	2,354.57
(ii) On Cash Credit	607.19	1,783.97
(iii) On Short Term Borrowings	288.03	284.67
(b) Others Financial charges	42.08	54.98
Total	2,490.51	4,478.19

34. OTHER EXPENSES

- (a) Stores and Spares
- (b) Power and Fuel
- (c) Repairs
- (i) Plant and Equipments
- (ii) Building
- (iii) Others
- (d) Rent
- (e) Insurance
- (f) Rates and Taxes
- (g) Commission and Brokerage
- (h) Legal Charges
- (i) Penalty & Fine
- (j) Loading and Unloading Charges
- (k) Travelling Expenses
- (l) Transportation and Freight & Forwarding
- (m) Security and Other Labour Charges
- (n) Directors Sitting Fees
- (o) Auditors Remuneration
- (i) Audit Fees
- (ii) For Certification
- (iii) Out of Pocket Expenses
- (p) Cost Audit Fees
- (q) Allowance for bad and doubtful debts
- (r) Bad Debts /Advances written off
- (s) Miscellaneous Expenses

Total

(a) Stores and Spares	852.03	549.33
(b) Power and Fuel	102.95	89.22
(c) Repairs		
(i) Plant and Equipments	1,197.18	1,173.78
(ii) Building	110.51	60.41
(iii) Others	84.07	110.24
(d) Rent	3.38	16.46
(e) Insurance	42.33	30.50
(f) Rates and Taxes	203.14	72.92
(g) Commission and Brokerage	82.64	64.24
(h) Legal Charges	254.44	96.70
(i) Penalty & Fine	0.05	6.45
(j) Loading and Unloading Charges	307.03	224.24
(k) Travelling Expenses	82.37	106.21
(l) Transportation and Freight & Forwarding	29.72	2.29
(m) Security and Other Labour Charges	80.84	67.63
(n) Directors Sitting Fees	7.20	5.80
(o) Auditors Remuneration		
(i) Audit Fees	8.50	6.50
(ii) For Certification	0.50	0.50
(iii) Out of Pocket Expenses	0.95	0.82
(p) Cost Audit Fees	1.00	0.75
(q) Allowance for bad and doubtful debts	11.98	52.15
(r) Bad Debts /Advances written off	-	8.34
(s) Miscellaneous Expenses	308.27	193.70
Total	3,771.08	2,939.18

35. Contingent Liabilities

(₹ in Lakhs)		
PARTICULARS	As at 31 st March, 2020	As at 31 st March, 2019
Claims / demands against the Company under litigation:		
(a) Claims against the company not acknowledged as debts in respect of criminal and civil cases	6.86	6.86
(b) Disputed sales tax, entry tax, trade tax and excise duty cases under appeal		
Central Sales Tax	74.44	74.44
Entry Tax (U.P.)	1,394.89	1,266.68
Trade Tax (U.P.)	92.49	92.49
Excise Duty	5,067.52	5,561.21
Others	17.28	17.28
Total	<u>6,646.62</u>	<u>7,012.11</u>

36. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for

Towards Property Plant and Equipment	2,556.31	170.95
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37. Alcohol and Molasses Storage Reserves and Effluent Disposal Reserves amounting to ₹ 81.86 Lakhs (P.Y. ₹ 73.20 Lakhs) are not deposited with a Scheduled Bank since it is reserved by the Company for utilization for provision and maintenance of adequate storage facilities as required under Uttar Pradesh Sheera Niyantaran (Sansodhan) Adesh, 1974.

38. Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020 is given below: -

(₹ in Lakhs)		
PARTICULARS	As at 31 st March, 2020	As at 31 st March, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier	19.81	125.79
The amount of Principal and interest paid beyond the appointed day	212.05	146.34
The amount of interest due and payable on delayed payments	0.63	14.96
The amount of interest accrued and remaining unpaid	0.63	93.27
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

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

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39. Employee Benefit

Defined Contribution Plans

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

PARTICULARS	(₹ in Lakhs)	
	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Employer's Contribution to Provident Fund	180.13	152.17
Employer's Contribution to Super Annuation Fund	8.29	7.23

Defined Benefit Plan

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

In accordance with Indian Accounting Standard 19 "Employee Benefits" (actuarial valuation was performed by independent actuaries in respect of the aforesaid defined benefit plan.

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

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Present Value of funded obligations	(887.02)	(788.25)
Fair Value of plan assets	34.57	28.34
Net liability (Amount shown in Balance Sheet as Liabilities)	<u><u>(852.45)</u></u>	<u><u>(759.91)</u></u>

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

Current service cost	34.00	30.53
Interest on obligation	57.68	54.91
Past Service Cost	-	-
Expected return on plan assets	-	-
Net actuarial losses / (gains) recognized in year	-	-
Plan assets (Contributions) / transfers by employer	-	-
Total included in employee benefit expense	<u><u>91.68</u></u>	<u><u>85.44</u></u>

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

Opening defined benefit obligation	788.25	764.89
Service costs	34.00	30.53
Interest costs	59.83	58.97
Past Service Costs	-	-
Benefit Directly paid by Employer	-	(25.79)
Benefits paid	(44.73)	(80.12)
Actuarial (Gain)/Losses on Obligation – Due to Change in Financial Assumptions	34.69	5.10
Actuarial (Gain)/Losses on Obligation – Due to Experience	14.98	34.67
Closing defined benefit obligation	<u><u>887.02</u></u>	<u><u>788.25</u></u>

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

(₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Opening fair value of plan assets	28.34	52.75
Expected return on plan assets	2.15	4.06
Assets transferred out/ divestment	-	-
Contributions	50.50	53.25
Benefits paid	(44.73)	(80.12)
Return on Plan Assets	(1.68)	(1.61)
Closing defined benefit obligation	<u>34.58</u>	<u>28.33</u>

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

- (e) The amount recognized in the other comprehensive Income (OCI) is as follows:

Actual (Gains) / Losses on Obligation	49.67	39.76
Return Plan Assets	1.68	1.61
Net actuarial losses / (gains) recognized in OCI	<u>51.35</u>	<u>41.37</u>

- (f) The Reconciliation of Balance Sheet in the statement are as follows:

Opening net Liability	759.91	712.15
Expenses recognized in Statement of Profit and Loss	91.68	85.44
Expenses recognized in OCI	51.35	41.37
Net Liability Transfer	-	-
Benefit Directly Paid By Employer	-	(25.79)
Employers Contribution	(50.50)	(53.26)
Net Liability/(Assets) Recognised in the Balance Sheet	<u>852.45</u>	<u>759.91</u>

- (g) The amount recognized Interest Cost in the statement are as follows:

Present Value of Benefit Obligation	788.25	764.89
Fair Value of Plant Assets	(28.34)	(52.74)
Net Liability / (Assets) At the Beginning	759.91	712.15
Interest Cost	59.83	58.97
Interest Income	(2.15)	(4.07)
Net Interest cost for Current Period	<u>57.68</u>	<u>54.90</u>

- (h) The amount Expenses recognized for in the statement of Profit and Loss for next year are as follows:

PARTICULARS	Defined Benefit (Gratuity) Plan	
	Current Period	Previous Period
Current Service Cost	38.88	34.00
Interest Cost	58.14	57.68
Expected Contribution by the Employees	-	-
Expenses Recognised	97.02	91.68

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

PARTICULARS	Defined Benefit (Gratuity) Plan	
	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Discount rate	6.82%	7.59%
Salary escalation rate	6.00%	6.00%
Expected return on plan assets	6.82%	7.59%
Rate of Employees Turnover	2.00%	2.00%

(j) Amounts for the current and previous four years are as follows:

(₹ in Lakhs)

PARTICULARS	Defined Benefit (Gratuity) Plan				
	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019	For the year ended on 31 st March, 2018	For the year ended on 31 st March, 2017	For the Period of Fifteen Months ended on 31 st March, 2016
Defined benefit obligation	887.02	788.25	764.89	713.94	720.34
Plan assets	34.57	28.34	52.74	80.94	162.34
Surplus/ (deficit)	852.45	759.91	712.15	(633.00)	(558.00)

(k) Experience Adjustment:

PARTICULARS	Defined Benefit (Gratuity) Plan				
	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019	For the year ended on 31 st March, 2018	For the year ended on 31 st March, 2017	For the Period of Fifteen Months ended on 31 st March, 2016
On plan Liability (Gains)/ Losses	14.98	34.67	57.60	(40.73)	(38.13)
On plan Assets Gains/ (Losses)	(1.68)	(1.61)	(1.76)	(12.27)	(0.00)

(l) Maturity Analysis of the Benefit Payments: From the Fund

Projected Benefits Payable in Future Years From the Date of Reporting

PARTICULARS	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
1 st Following Year	109.18	91.89
2 nd Following Year	51.88	40.28
3 rd Following Year	87.48	86.12
4 th Following Year	123.66	79.93
5 th Following Year	91.99	113.93
Sum of Years 6 to10	524.60	503.84
Sum of Years 11 and Above	366.66	457.51

(ii) Other Employee Benefit

The liability for leave entitlement as at March 31, 2020 is ₹ 131.46 Lakh (P.Y. ₹ 107.65 Lakh) disclosed under Long Term Provision (Refer Note No. 19) and Short-Term Provision (Refer Note No. 26)

(iii) Sensitivity Analysis

The below sensitivity analysis is based on the change in an assumption while holding all other assumptions constant. In practice this unlikely to occur and change in some of the assumptions may be correlated. When calculation the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet. The method and types of assumptions used in reporting the sensitivity analysis did not change compared to the prior period.

Gratuity

A quantitative sensitivity analysis for significant assumed as at March 31 2020 and March 31, 2019 are as shown below.

PARTICULARS	(₹ in Lakhs)	
	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Projected Benefit Obligation on Current Assumptions	887.02	788.25
Delta Effect of +1% Change in Rate of Discounting	(44.57)	(40.73)
Delta Effect of -1% Change in Rate of Discounting	49.11	44.85
Delta Effect of +1% Change in Rate of Salary Increase	47.87	44.76
Delta Effect of -1% Change in Rate of Salary Increase	(44.83)	(41.70)
Delta Effect of +1% Change in Rate of Employee Turnover	1.76	3.49
Delta Effect of -1% Change in Rate of Employee Turnover	(1.92)	(3.77)

- 1) The Company has a defined benefit gratuity plan in India (Funded). The company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as company's scheme for Gratuity.
- 2) Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest Risk	Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability
Investment Risk	The present value of defined benefit plan liability calculated using a discount rate which is determined by reference to marker yields as at the end of the reporting period on government bonds. If the return on plant assets is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Assets Liability Matching Risk	The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds..
Mortality Risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration Risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

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(iv) Leave Encashment (Non-funded)

The Company has recognised ₹ 45.24 Lakhs (P.Y. ₹ 18.46 Lakhs) in statement of Profit and Loss based on actuarial valuation.

40. Segmental Reporting Disclosures under Ind-AS 108

Business Segments:

Based on the guiding principles given in Ind-AS 108 "Operating Segments" the Company's primary business segments are

- a. Sugar
- b. Power
- c. Spirits

Financial Information about the primary business segment:

Figures for the year ended 31st March, 2020 indicated in bold. Previous Year figures indicated in the row below:

PARTICULARS	(₹ in Lakhs)			
	Sugar	Power	Spirits	Total
(a) Revenue from Operations				
Sales (Including Inter Division/ Segment Revenue and Net of Intra Division Revenue)	53,160.18	10,209.92	1,047.90	64,418.00
	38,980.70	14,107.75	0.00	53,088.45
Other Income	80.20	7.35	15.36	102.91
	59.13	13.05	8.06	80.24
Less: Inter Segment Revenue	7,261.03	5,373.17	-	12,634.20
	6,110.88	6,666.37	-	12,777.25
Add: Unallocable Income				178.93
				111.92
Total Revenue				52,065.64
				40,503.36
(b) Segmental Results				
Segmental Result before Interest, Exceptional Items & Tax	1,881.31	1,163.69	67.34	3,112.34
	(4,298.21)	5,716.56	(494.20)	924.15
Less: Finance Cost				2,490.51
				4,478.20
Less: Unallocable Expenses Net of Unallocable Income				392.49
				468.33
Less: Exceptional Items				-
				-
Profit /(Loss) Before Tax				229.34
				(4,022.38)
Less: Current Tax				-
				-
Less: Deferred Tax				-
				-
Profit / (Loss) after Tax				229.34
				(4,022.38)
Other Comprehensive Income				(519.87)
				(714.78)
Profit / (Loss) after Other Comprehensive Income				(290.53)
				(4,737.16)

PARTICULARS	Sugar	Power	Spirits	Total
(c) Segmental Assets and Liabilities				
(i) Segmental Assets	25,932.48	24,088.28	10,052.00	60,072.76
	26,643.17	25,878.82	8,893.25	61,415.24
Unallocable Assets/ Investments				3,022.88
				3,766.12
Total Assets				63,095.64
				65,181.36
(ii) Segmental Liabilities	33,000.28	21,387.30	930.80	55,358.38
	36,377.60	19,961.17	985.51	57,324.28
Share Capital & Other Equity				5,329.99
				5,611.83
Unallocable Liabilities				2,407.27
				2,245.26
Total Liabilities				63,095.64
				65,181.36
(d) Capital Expenditure and Depreciation				
(i) Capital Expenditure including Capital Work in Progress	1,290.22	0.67	2,088.26	3,379.15
	264.03	-	1,415.86	1,679.89
Unallocable				12.43
				3.05
Total				3,391.58
				1,682.94
(ii) Depreciation/ Amortization	724.80	767.16	277.98	1,769.94
	696.72	906.75	227.75	1,831.22
Unallocable Depreciation				56.53
				83.23
Total Depreciation/ Amortization				1,826.47
				1,913.45
(iii) Significant non-cash expenditure other than Depreciation/ Amortization				-
				-

Segment Revenue from Operations, Results, Assets and Liabilities and Depreciation include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

41. Related Party Disclosures as per Indian Accounting Standard 24

Names of related parties and nature of related party relationships:

a) Key Management Personnel and their relatives:

Mr. H R Kilachand Chairman & Managing Director

Relatives of Key Management Personnel:

Mr. Rohan H Kilachand Son

Mrs. Nidhi R Kilachand Daughter in Law

Ms. Rohita H Kilachand Daughter

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- b) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence:

Kesar Terminals & Infrastructure Limited

Kesar Multimodal Logistics Limited

Kesar Corporation Pvt. Ltd.

Kilachand Devchand & Co. Pvt. Ltd.

Indian Commercial Co. Pvt. Ltd.

India Carat Pvt. Ltd.

Seel Investments Pvt. Ltd.

- c) Others

Mr. M A Kuwadia Independent Director

Mr. A S Ruia Independent Director

Ms. Bhumika Batra Independent Director (up to 22.07.2019)

Ms. Ranjana Sinha Independent Director (From 01.09.2019)

Mr. D J Shah Company Secretary

Mr. Rohit Balu Chief Financial Officer (CFO)

Disclosure of transactions between the Company and related parties and the status of outstanding balance as on 31st March, 2020 indicated in bold. Previous Year figures indicated in the row there below in brackets:

Nature of Transaction	(₹ in Lakhs)					
	Kesar Terminals & Infrastructure Ltd.	Kesar Multimodal Logistics Ltd	Kilachand Devchand & Co. Pvt. Ltd.	Seel Investment Pvt. Ltd	Kesar Corporation Pvt. Ltd.	Others
Expenses Reimbursement	2.89 (4.15)	1.19 (0.12)	10.83 (10.93)			
Sharing of Common Expenses	- (3.17)					
Dividend Received	23.41 (10.40)					
Rent Paid/Provided			17.38 (17.38)			
Sitting Fees (Refer note below)						7.20 (5.80)
Remunerations						88.95 (86.38)
Closing Balance						
Payables			268.96 (251.67)			
Investments	186.68 (655.20)					
Loans				115.35 (102.34)	35.50 (31.50)	

Note:

Sitting Fees

(₹ in Lakhs)

Name of the Directors	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Mr. M A Kuwadia	2.60	2.80
Mr. A S Ruia	3.00	2.60
Mr. P N Dubey	0.00	0.40
Ms. Ranjana Sinha	1.60	0.00
Total	7.20	5.80

Remuneration

Name of the Persons	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Mr. D J Shah	50.06	49.82
Mr. Rohit Balu	38.89	36.56
Total	88.95	86.38

42. Financial Risk Management

The Company's principal financial liabilities, comprises borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations directly or indirectly. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. Market risk is applicable for equity shares and variable borrowing. Foreign exchange risk is not applicable since the company does not have long term imports. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

Risk Management	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits
Liquidity Risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market Risk – Equity	Change in Equity Prices	Profit / Loss volatility	Strategic decision
Market Risk- Interest	Variable Rate Borrowing	Interest rate sensitivity	Mix of fixed versus floating rate

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivables

Outstanding customer receivables are regularly monitored and any further services to major customers are approved by the senior management.

On account of adoption of Ind-AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

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(a) Ageing

Particulars	(₹ in Lakhs)	
	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
0-180 Days	4,783.17	5,449.99
More than 180 days	421.37	439.41
Total	5,204.54	5,889.40

(b) Movement in expected credit loss allowance on trade receivables

Particulars	(₹ in Lakhs)	
	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Balance at the beginning of the year	439.41	387.26
Add: - Additional provision made	0.00	52.15
Less: - Provision reversed	(18.04)	0.00
Balance at the end of the year	421.37	439.41

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department.

Equity price risk

The Company's equity securities are held at Fair Value through Other Comprehensive Income and depending on the market opportunity, the company shall sell such investments.

Equity Price sensitivity	(₹ in Lakhs)	
	Impact on profit before tax	
	This Year	Previous Year
Equity Prices (quoted) – increase by 10%	18.67	65.52
Equity Prices (quoted) – decrease by 10%	(18.67)	(65.52)

Interest rate risk

The Company has MCLR based borrowing and depending on the interest rate scenario, the company decides on the mix of fixed rate versus variable rate borrowing.

Interest rate sensitivity

Variable interest rate loans are exposed to interest rate risk, the impact on profit or loss before tax may be as follows:

Particulars	(₹ in Lakhs)	
	Impact on profit before tax	
	This Year	Previous Year
Interest rate – increase by 100 basis points (100 bps)	(208.32)	(254.80)
Interest rate – decrease by 100 basis points (100 bps)	208.32	254.80

Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, preference shares and unsecured loans.

The table below provides details regarding the maturities of significant financial liabilities as of March 31, 2020 and March 31, 2019.

Particulars	(₹ in Lakhs)			Total
	Less than 1 year	1 to 5 years	> 5 years	
Year ended March 31, 2020				
Borrowing (Refer Note No. 17, 18A & 21)	2,640.50	4,684.70	-	7,325.20
Trade Payables (Refer Note No. 23)	17,950.31	-	-	17,950.31
Other Financial Liabilities (Refer Note No. 24)	29,319.64	-	-	29,319.64
Year ended March 31, 2019				
Borrowing (Refer Note No. 17, 18A & 21)	8,957.68	406.17	-	9,363.85
Trade Payables (Refer Note No. 23)	17,739.46	-	-	17,739.46
Other Financial Liabilities (Refer Note No. 24)	29,999.06	-	-	29,999.06

Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the value of the share and to reduce the cost of capital.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings.

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Net Debt		
Borrowing	25,188.13	28,748.67
Equity		
Equity share capital	1,007.97	1,007.97
Other Equity	4,322.02	4,603.86
Debt /Equity Ratio	4.73	5.12

43. Financial Instruments by category

The criteria for recognition of financial instruments is explained in significant accounting policies.

Particulars	(₹ in Lakhs)			(₹ in Lakhs)		
	March 31, 2020			March 31, 2019		
	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL
Financial Assets						
Non-Current Investments						
- Equity instruments	1.30	186.68		1.29	655.20	
- Loans	20.53			25.40		
- Other Financial Assets	196.29			46.90		
- Current Investments			-			257.28
- Trade Receivable	4,783.17			5,449.99		
- Cash and Cash equivalent	942.96			164.81		
- Bank Balance	17.12			165.25		
- Loans	5.88			5.19		
- Other Current Asset	309.86			177.66		
Total financial Asset	6,277.11	186.68	-	6,036.49	655.20	257.28

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Particulars	(₹ in Lakhs)					
	March 31, 2020			March 31, 2019		
	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL
Financial Liabilities						
- Long Term Borrowings	3,795.84	-	-	406.17	-	-
- Non Current Lease Liability	103.03	-	-	-	-	-
- Other Non-Current Liabilities	888.86	-	-	-	-	-
- Current Lease Liability	9.68	-	-	-	-	-
- Other Non-current liabilities	46.80	-	-	51.30	-	-
- Short Term Borrowings	2,640.50	-	-	8,957.68	-	-
- Trade payable	17,950.31	-	-	17,739.46	-	-
- Other Financial Liabilities	29,319.64	-	-	29,999.06	-	-
- Other Current Liabilities	2,012.92	-	-	1,532.38	-	-
Total financial liabilities	56,767.58	-	-	58,686.05	-	-

44. Fair Value Hierarchy

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table presents fair value hierarchy of financial assets and financial liabilities measured at fair value on a recurring basis:

Particulars	(₹ in Lakhs)	
	Level 1	
	As at March 31, 2020	As at March 31, 2019
Financial assets: Investments in equity shares (Quoted) at FVTOCI	186.68	655.20
Financial assets: Investments in Mutual Fund (Unquoted) at FVTPL	-	257.28

45. Disclosure in respect of Earnings per Share in accordance with Ind-AS 33

Particulars	For the year ended on 31 st March, 2020	For the year ended on 31 st March, 2019
Profit/(Loss) after tax (₹ in Lakhs)	229.34	(4,022.38)
Nominal value of equity shares (₹ in Lakhs)	10	10
Weighted average no. of equity shares (Basic)	1,00,79,682	1,00,79,682
Earnings per equity share (Basic) (₹ in Lakhs)	2.28	(39.91)
Weighted average no. of equity shares (Dilutive)	1,00,79,682	1,00,79,682
Earnings per equity share (Dilutive) (₹)	2.28	(39.91)

46. This note provides the information for lease and right of use assets where the company is a lessee.

Following are the changes in the carrying value of right of use assets:

As at April 01, 2019	Lease Asset (₹ in Lakhs)
Gross carrying amount	
Opening gross carrying amount	-
Additions	120.73
Disposals and transfers	-
Closing gross carrying amount	120.73

As at April 01, 2019

Lease Asset
(₹ in Lakhs)

Accumulated depreciation

Opening accumulated depreciation	-
Depreciation charged	12.95
Disposals and transfers	-
Closing accumulated depreciation	12.95
Net carrying amount as at March 31, 2020	107.78

The aggregate depreciation expense on ROU assets is included under depreciation and amortization in the statement of profit and loss.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 11.02%

Following are the changes in the carrying value of Lease Liability:

Particulars	As at 31 March 2020 (₹ in Lakhs)
Balance as at beginning	-
Additions	120.73
Finance cost accrued during the period	12.91
Deletions	-
Less: Payment of lease liabilities	(20.93)
Balance as at end	112.71

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Particulars	As at 31 March 2020 (₹ in Lakhs)
Less than one year	9.68
One to five years	25.63
More than five years	77.40
Total	112.71

Rental expense recorded for short-term leases (less than one year) was ₹ 3.38 lakhs and ₹ 16.46 lakhs for the year ended March 31, 2020 and March 31, 2019 respectively.

47. Company has unabsorbed depreciation and carry forward losses under tax laws, it is probable that evidence of sufficient future taxable income will not be available against which it can be realised. Hence deferred tax asset is not recognised by the Company
48. Some of the credit facilities have been classified as Non-Performing Assets (NPA) by certain banks. However, the Company has provided interest on accrual basis, except Allahabad Bank where the Company has entered into a one time settlement (OTS), subject to payment of entire OTS amount by 31st March 2020 or such extended period for the payment as may be allowed by the bank . The Company has paid the full OTS amount by 31st July, 2020. In this circumstances, the Company has not made provision for finance cost pertaining to the borrowings from Allahabad Bank for the current financial year amounting to ₹ 2,147.67 Lakhs. Effects arising out of completion of the OTS will be given on receipt of "No Dues Certificate" from the Bank and settlement of interest for the extended period of the OTS.
49. Sugar cane purchase price for the season 2019-2020 is accounted at State Advisory Price (SAP) ₹ 325/- per quintal for early, ₹ 315/- per quintal for general and ₹ 310/- per quintal for rejected varieties vide Press Note No. 09/2019/2274/46-3-19-3(48)/98-99 dated 07-12-2019 by the State Government of Uttar Pradesh.

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50. The Company has incurred substantial losses in the earlier years, mainly attributable to high sugarcane prices and relatively lower and unviable Sugar prices. The Company is hopeful for the revival of the Sugar Industry in Uttar Pradesh in view of various steps taken by Uttar Pradesh State Government and Central Government. Also, during the year One Time Settlement (OTS) has been arrived at with one of the lender by virtue of which the company expects substantial reduction in finance costs in subsequent financial years with resultant improvement in profitability and the net worth. Hence these Ind AS financial statement have been prepared on a going concern basis, despite accumulated losses resulting in erosion of its entire net worth.

51. INCOME TAX

- a) Since there is loss as per Books and as per Income Tax Act, no tax reconciliation between Tax on profit as per Books and Tax on profit as per Income Tax Act required.
- b) Pursuant to the enactment of the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act') which is effective from April 1, 2019, Domestic Companies have an option to pay corporate tax at the rate of 22% plus applicable surcharge and cess provided certain conditions are complied with. The Company has decided to continue with the existing Tax Structures.

52. Based on initial assessment, the Management does not expect any significant medium to long-term impact on the business of the Company due to the COVID-19 pandemic. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory and receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable..

53. The previous period figures have been regrouped and re-casted wherever necessary.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande

Partner

Membership No. 034828

Place: Mumbai

Date: 07th August, 2020

For and on behalf of the Board of Directors

H R KILACHAND

Chairman & Managing Director

DIN:00294835

ROHIT BALU

Chief Financial Officer

Place: Mumbai

Date: 07th August, 2020

A S RUIA

Director

DIN: 00296622

D J SHAH

Sr. Vice President (Legal)
& Company Secretary

STATEMENT SHOWING PRODUCTION AND YIELD IN SUGAR

SEASON	DURATION DAYS	CANE CRUSHED M. TONS	SUGAR PRODUCED M. TONS	RECOVERY % OF CANE CRUSHED
2000-2001	143	644,521.60	64,298.00	9.89
2001-2002	184	834,412.60	81,970.40	9.82
2002-2003	189	938,038.60	93,863.00	10.00
2003-2004	150	808,601.17	79,866.50	9.88
2004-2005	158	852,942.80	84,010.00	9.90
2005-2006	155	838,468.80	79,114.00	9.43
2006-2007	194	1,148,799.60	114,843.00	10.00
2007-2008	163	977,982.72	104,201.00	10.67
2008-2009	111	561,509.25	52,364.00	9.35
2009-2010	119	693,771.98	65,170.00	9.38
2010-2011	116	738,041.20	71,811.00	9.68
2011-2012	148	931,902.00	88,761.00	9.48
2012-2013	136	858,008.00	78,105.00	9.14
2013-2014	98	588,836.00	51,632.60	8.77
2014-2015 (upto December 2014)	30	187,040.00	17,960.40	9.60
2014-2015 (Jan 2015 to Mar 2015)	77	430,691.00	42,197.00	9.80
2015-2016	89	444,713.62	45,725.00	10.28
2016-2017	117	650,899.84	70,482.00	10.83
2017-2018	149	912,500.00	96,345.60	10.56
2017-2018 (April 2018)	30	147,434.00	16,293.00	11.05
2018-2019	150	909,880.00	98,604.80	10.84
2018-2019 (April 2019)	30	188,762.80	22,853.00	11.24
2019-2020	148	939,360.00	108,092.08	11.61

STATEMENT SHOWING PRODUCTION AND YIELD IN DISTILLERY

Year	Production (Litres)	Yield per Quintal of Molasses (Litres)
2000-01	12,835,127	21.40
2001-02	12,280,300	21.00
2002-03	12,954,000	21.16
2003-04	11,552,050	24.12
2004-05	11,274,630	22.58
2005-06	14,765,450	22.98
2006-07	16,412,783	23.22
2007-08	16,274,637	22.70
2008-09	11,414,558	22.99
2009-10	7,458,803	23.12
2010-11	13,141,901	23.00
2011-12	11,223,029	22.60
2012-13	8,506,467	22.41
2013-14	11,575,401	22.76
2014-15 (upto December 2014)	1,238,192	22.24
2014-15 (Jan 15 to Mar 15)	238,074	23.55
2015-16	736,798	22.49
2016-17	0	0
2017-18	0	0
2018-19	0	0
2019-20	4,699,896	23.31

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FINANCIAL STATISTICS FROM 2009-2010 TO 2019-20

Period/ Year end position	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016 (15 Months)	2013-2014 (18 Months)	2012-2013	2011-2012	2010-2011	2009-2010 \$
Period	1.4.19- 31.3.20	1.4.18- 31.3.19	1.4.17- 31.3.18	1.4.16- 31.3.17	1.1.15- 31.3.16	1.7.13- 31.12.14	1.7.12- 30.6.13	1.7.11- 30.6.12	1.7.10- 30.6.11	1.7.09- 30.6.10
Share Capital	1,007.97	1,007.97	1,007.97	1,007.97	1,007.97	999.92	862.02	679.02	679.02	679.02
Other Equity	4,322.02	4,603.86	9,337.10	14,694.45	4,084.82	9,392.57	*22,176.28	*23,733.70	2,518.53	2,230.11
Deferred Tax Liability/ Assets			-		-	(378.84)	(378.84)	(378.84)	24.84	345.83
Borrowings	25,188.13	28,748.67	30,119.89	30,819.79	31,422.45	33,832.45	43,090.64	34,956.36	20,824.08	25,135.42
Working Capital	(16,413.07)	(12,803.73)	(7,617.87)	(4,068.12)	(6,133.26)	(1,278.73)	17,132.52	11,276.43	14,819.70	21,886.08
Total Capital Employed	63,095.64	65,181.36	60,010.36	59,940.05	55,229.54	58,283.08	80,206.81	72,539.62	24,246.47	28,590.38
Gross Block	*69,950.25	*67,894.67	*66,210.43	*66,027.66	*58,763.41	*58,652.13	*59,336.79	*37,767.26	15,183.32	15,280.52
Net Block	46,743.21	*46,507.74	*46,731.33	*47,100.91	*42,586.13	*44,997.85	*48,551.27	*28,857.03	5,795.90	6,036.20
Investments	**187.98	**656.49	**1330.39	**2037.23	54.46	54.95	54.95	54.95	52.70	52.44
For the Year										
Sales	51,783.81	40,311.20	31,370.74	38,978.81	37,734.84	74,954.17	47,254.60	46,303.48	49,620.98	26,638.70
Depreciation	1,826.47	1,913.45	1,819.14	1,897.64	2,582.51	2,354.74	1,461.63	558.29	583.10	579.79
Profit Before Tax	(290.53)	(4,737.16)	(5,359.71)	794.56	(4,905.21)	(12,001.95)	(1,668.20)	(937.97)	42.73	224.59
Profit After Tax	(290.53)	(4,737.16)	(5,359.71)	794.56	(5,322.23)	(12,001.95)	(1,668.20)	(1,998.50)	361.74	239.30
Equity Dividend %			-	-	-	-	-	-	10%	10%
Equity Dividend (₹ in Lakhs)			-	-	-	-	-	-	67.90	67.90

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

* Including Revaluation Reserve.

** Valued at market price listed Equity Shares from 2016-2017.



If undelivered please return to:

KESAR ENTERPRISES LIMITED

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