



# KESAR ENTERPRISES LIMITED

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CIN : L24116MH1933PLC001996

11<sup>th</sup> September, 2020

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

**Scrip Code: 507180**

Dear Sir,

**Sub: Chairman Speech at 85th Annual General Meeting of the Company.**

Please find attached herewith a copy of the Chairman Speech as delivered at 85th Annual General Meeting of the Company held on Friday, 11<sup>th</sup> September, 2020 through Video Conference/ Other Audio-Visual Means.

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

Thanking you,

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

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

## **85<sup>TH</sup> Annual General Meeting of the Members of the Company on 11.09.2020**

### **CHAIRMAN SPEECH**

Dear Members,

Welcome to the 85th Annual General Meeting of the Company. It is a pleasure to connect with all of you again, although this time we meet virtually. On behalf of the Board of Directors, I thank you all for taking the time out to join us today. Your continued support and confidence in us, even in uncertain times like these, drive us to look for more ways to do better, and create greater value for you and other stakeholders.

The COVID-19 pandemic is extraordinary and unprecedented. It has impacted the world and every country, business and individual. However, your Company took all the necessary steps and managed to ensure that the business operations of the Company remained uninterrupted in these trying times and the Company has been able to achieve this to a considerable extent, with the untiring support of our dedicated employees and of the government authorities. The Plants of the Company were able to run at full capacity right through the season & did the highest crushing, highest sugar production and highest recovery in the Company's history so far.

#### **Operational performance: Sugar Division**

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 sugar production was 14.37 lakh quintals as against 12.03 lakh quintals in the previous season. The overall sugar recovery was 11.55% as against 10.91% in the previous season.

For the sugar season 2019-20, the Central Government had announced a Fair & Remunerative Price [FRP] of sugarcane at Rs.275/- a quintal at a base recovery of 10%, with a premium of Rs. 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 Rs.315/- a quintal for normal variety as that in the previous year.

#### **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.

The Uttar Pradesh Electricity Regulatory Commission vide notification dated 25.07.2019 reduced the power purchase rates of bagasse-based power plants with effect from 01.04.2019. Due to this, our power rates have come down from Rs.5.86 per unit to Rs.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.

#### **Spirits Division**

The Spirits Division was put out of operations voluntarily since October 2015 as the Company did not have the capability to install the 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 erection / commissioning of an Incineration Boiler to maintain continuity of the Distillery plant operations round the year. The Company had also installed a 50 KLPD capacity Ethanol plant i.e. Molecular Sieve Dehydration (MSDH Plant).

During the year, the Company operated the plant in two phases. In the first phase, the production of Rectified Spirit (RS) was 10.81 lakh BL. In the second phase, the production of RS was 66.40 lakh BL and the production of Ethanol was 51.32 lakh BL. The Ethanol supplied upto 09-09-2020 was 46.12 lakh BL to various Oil Manufacturing Companies.

#### **Financial Performance:**

The Company achieved Revenue from Operations of Rs.51,783.81 lakh during the Financial Year 2019-20 as against Rs. 40311.20 lakh in the previous year and achieved a profit of Rs. 229.34 lakh during the financial year 2019-20 as against a loss of Rs. 4022.38 lakh in the previous year. However, after considering the effect of other Comprehensive Income based on Ind-AS norms, there is a loss of Rs.290.53 lakh for the Financial Year 2019-20 as against a loss of Rs.4,737.16 lakh in the previous year.

#### **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 and run on similar basis as last season. During the Financial Year 2020-21, the sugar price is expected to be steady due to government intervention.

For the sugar season 2020-21, the Central Government had announced a Fair & Remunerative Price [FRP] of sugarcane at Rs. 285/- a quintal at a base recovery of 10%, with a premium of Rs.2.85 per quintal for every 0.1% increase above 10% in the final recovery achieved by respective sugar factory.

#### **Power Division**

The Cogen Power Plant will restart in the last week of October 2020 and is likely to run similarly to last season.

#### **Spirits Division**

The Distillery is planned to be started in the last week of October 2020. This year, with the installation of the 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.

#### **Employees:**

I would like to place on record the deep sense of appreciation for the devotion and hard work of the officers, staff and workers of the Company during the year under report, without whose efforts the results achieved would not have been possible.

While, the on-going COVID-19 pandemic has posed challenges before us and other industries, on behalf of the Board, I want to assure you all that we will spare no effort to emerge stronger in these difficult times and perform better in the coming year.

#### **Acknowledgement:**

Your Directors would like to express their grateful appreciation for the assistance and co-operation extended by the Banks & Financial Institutions and Government Authorities during the year under review.

Thank you.

**H R Kilachand  
Chairman & Managing Director**

**11<sup>th</sup> September, 2020**