

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Kesar Enterprises Limited

Report on the Audit of the Financial Results

Opinion

We have audited the accompanying annual financial results of **Kesar Enterprises Limited** ("the Company") for the year ended March 31, 2021 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

(i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2021.

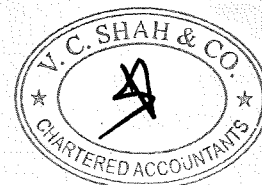
Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results 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 Statement under the provisions of the Act and the 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the accompanying Statement, 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.



Emphasis of Matter

We draw attention to,

- a) Note No 3 to the accompanying Statement. For the reason stated in the said note, The Company has entered into one time settlement with lender Allahabad bank (now Indian Bank) in December, 2019. The Company has paid the entire settlement amount and lender bank has confirmed the same. The appropriate accounting treatment has been made in the books of accounts.
- b) Note 5 to the accompanying Statement, 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 this matter.

Board of Directors' Responsibilities for the Financial Results

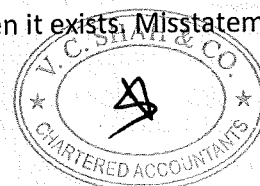
This Statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 Statement.

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 Statement, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 Statement 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 Statement, including the disclosures, and whether the Statement 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.

Other Matter

- a) The management has performed the year end physical verification of the inventory at their plant as per the process followed by them periodically. In view of the lockdown restriction imposed by the



Government, our attendance at the physical inventory verification done by the management was impracticable. 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.

- b) The Statement includes the results for the quarter ended March 31, 2021, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For V. C. Shah & Co.

Chartered Accountants

ICAI Firm Registration No.109818W



Viral J. Shah

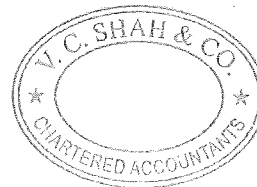
Partner

Membership No.: 110120

UDIN: 21110120AAAACN7261

Place: Mumbai

Date: June 30, 2021





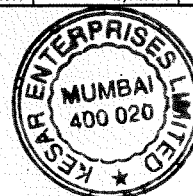
KESAR ENTERPRISES LIMITED

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

(Rs in Lakhs)						
STATEMENT OF AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED ON 31ST MARCH, 2021						
Sr. No.	Particulars	3 Months ended on 31/03/2021	3 Months ended on 31/12/2020	3 Months ended on 31/03/2020	Year ended on 31/03/2021	Year ended on 31/03/2020
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Income:					
	(a) Income from operations	20,562.68	16,058.66	18,445.92	54,745.93	51,792.49
	(b) Other Income (Refer Note No 3)	10,314.33	22.04	89.39	10,692.24	281.83
	Total Income	30,877.01	16,080.70	18,535.31	65,438.17	52,074.32
2	Expenses:					
	(a) Cost of Materials Consumed	19,900.76	14,226.58	19,644.66	44,526.86	39,113.12
	(b) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	(4,237.87)	(58.41)	(6,214.34)	531.84	1,980.58
	(c) Employee Benefits Expense	910.39	875.68	807.94	3,047.21	2,654.54
	(d) Finance Costs	709.39	678.37	(1,045.93)	2,693.55	2,490.51
	(e) Depreciation & Amortization Expense	467.34	480.67	500.78	1,931.15	1,826.47
	(f) Repairs	307.95	473.36	278.05	1,350.67	1,391.76
	(g) Other Expenses	877.24	583.33	873.98	2,373.84	2,388.00
	Total Expenses	18,935.20	17,259.57	14,845.14	56,455.12	51,844.98
3	Profit / (Loss) before tax (1-2)	11,941.81	(1,178.87)	3,690.17	8,983.05	229.34
4	Tax Expense					
	(a) Current Tax	-	-	-	-	-
	(b) Deferred Tax	-	-	-	-	-
	Total Tax Expense	-	-	-	-	-
5	Net Profit / (Loss) after Tax (3-4)	11,941.81	(1,178.87)	3,690.17	8,983.05	229.34
6	Other Comprehensive Income :					
	(a) (i) Items that will not be reclassified to profit or loss	(58.87)	92.20	(169.04)	119.98	(519.87)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	(b) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
7	Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period) (5+6)	11,882.94	(1,086.68)	3,521.13	9,103.03	(290.53)
8	Paid-up Equity Share Capital (Face Value of Rs 10/- each)	1,007.97	1,007.97	1,007.97	1,007.97	1,007.97
9	Other Equity excluding Revaluation Reserves				(11,227.49)	(21,066.76)
10	Earning Per Share (of Rs 10/- each) (EPS) (not annualised) (in Rs)					
	(a) Basic	118.47	(11.70)	36.61	89.12	2.28
	(b) Diluted	118.47	(11.70)	36.61	89.12	2.28

Reporting of Segment wise Revenue, Results and Capital Employed

Sr.No.	Particulars	3 Months ended on 31/03/2021	3 Months ended on 31/12/2020	3 Months ended on 31/03/2020	Year ended on 31/03/2021	Year ended on 31/03/2020
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Segmental Revenue					
	Income from operations					
	Sugar	21,006.13	17,244.46	19,888.26	55,981.84	53,168.58
	Cogen	4,709.42	3,742.78	4,172.44	11,533.91	10,209.91
	Spirits	1,415.64	262.06	387.33	3,085.25	1,048.20
	Total	27,131.19	21,249.30	24,448.03	70,601.00	64,426.69
	Less : Inter Segment Revenue	6,568.51	5,190.64	6,002.11	15,855.07	12,634.20
	Net Sales / Income from Operations	20,562.68	16,058.66	18,445.92	54,745.93	51,792.49
2	Segment Results:					
	Sugar	5,356.41	(1,082.52)	2,116.70	3,462.29	1,881.31
	Cogen	6,100.86	933.36	610.89	7,060.60	1,163.69
	Spirits	1,045.14	(149.89)	48.62	1,397.83	67.34
	Total	12,502.41	(299.05)	2,776.21	11,920.72	3,112.34
	Less : Finance Costs	709.39	678.37	(1,045.93)	2,693.55	2,490.51
	Less: Other Unallocable Expenditure net off Unallocable Income	(148.79)	201.45	131.97	244.12	392.49
	Profit/ (Loss) before Tax	11,941.81	(1,178.87)	3,690.17	8,983.05	229.34
3	Capital Employed: Segmental Assets					
	Sugar	25,302.61	21,133.16	25,932.48	25,302.61	25,932.48
	Cogen	21,043.41	22,624.45	24,088.28	21,043.41	24,088.28
	Spirits	10,153.53	10,537.00	10,052.00	10,153.53	10,052.00
	Other Unallocated Assets	6,357.97	3,357.47	3,022.88	6,357.97	3,022.88
	Total	62,857.52	57,652.08	63,095.64	62,857.52	63,095.64
4	Capital Employed: Segmental Liabilities					
	Sugar	32,128.87	29,046.95	33,000.28	32,128.87	33,000.28
	Cogen	15,363.93	22,642.79	21,387.30	15,363.93	21,387.30
	Spirits	261.92	995.26	970.80	261.92	970.80
	Other Unallocated Liabilities	1,714.28	2,411.45	2,407.27	1,714.28	2,407.27
	Total	49,469.00	55,096.45	57,765.65	49,469.00	57,765.65
	Total Capital Employed (Net)	13,388.52	2,555.63	5,329.99	13,388.52	5,329.99

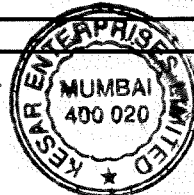




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Statement of Assets and Liabilities		(Rs. In Lakhs)	
Sr. No.	Particulars	As at 31-03-2021	As at 31-03-2020
		(Audited)	(Audited)
A	ASSETS		
1	Non - Current Assets		
	(a) Property, Plant & Equipments	43,175.02	46,147.76
	(b) Capital work - in - progress	1,678.16	480.19
	(c) Right - of - use asset	89.03	107.78
	(d) Intangible Assets	7.48	7.48
	(e) Financial Assets		
	(i) Investments	352.80	187.98
	(ii) Loans	0.00	0.00
	(iii) Other Non - Financial Assets	259.93	196.29
	(f) Deferred Tax Assets (Net)	16.94	16.94
	(g) Other Non-Current Assets	981.84	473.52
	Total Non Current Assets	46,561.20	47,617.95
2	Current Assets		
	(a) Inventories	9,116.79	9,398.18
	(b) Financial Assets		
	(i) Investments	840.61	0.00
	(ii) Trade Receivables	3,489.42	4,783.17
	(iii) Cash and Cash equivalents	2,534.27	942.96
	(iv) Bank Balance other than Cash and Cash equivalents	17.12	17.12
	(v) Other Financial assets	5.72	5.88
	(c) Other Current Assets	292.38	330.38
	Total Current Assets	16,296.31	15,477.68
	Total - Assets	62,857.52	63,095.64
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share Capital	1,007.97	1,007.97
	(b) Other Equity	12,380.55	4,322.02
	Total Equity	13,388.52	5,329.99
2	Non Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	2,109.07	3,795.84
	(ii) Lease Liability	89.72	103.03
	(iii) Others	888.86	888.86
	(b) Provisions	950.17	839.67
	(c) Other Non Current Liabilities	47.80	46.80
	Total Non Current Liabilities	4,085.61	5,674.20
3	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	2,640.50	2,640.50
	(ii) Lease Liability	6.50	9.68
	(iii) Trade Payables		
	- Total outstanding dues of micro enterprises and small enterprises	18.03	19.81
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	20,145.44	17,930.50
	(iv) Other Financial Liabilities	21,961.12	30,337.15
	(b) Other Current Liabilities	452.99	995.40
	(c) Provisions	148.50	144.24
	(d) Current Tax Liabilities (net)	10.30	14.16
	Total Current Liabilities	45,383.39	52,091.45
	Total Liabilities	49,469.00	57,765.65
	Total Equity and Liabilities	62,857.52	63,095.64





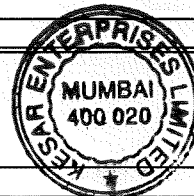
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED ON 31ST MARCH, 2021

(Rs. in Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
A		
CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	8,983.05	229.34
Non cash/ Ind-As/ other adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Amortization Expense	1,931.15	1,826.47
Dividend Income	0.00	(23.41)
Interest Income	(35.94)	(32.55)
Interest and Finance Charges	2,693.55	2,490.51
Loss / (Profit) on sale of Property, Plant & Equipment (net)	149.74	(58.73)
Profit on sale of Investments (net)	(1.42)	(72.18)
Fair Value (gain)/ loss on Investments	(2.82)	0.00
Credit Balances Written Back	(107.91)	(49.44)
Interest waiver under One Time Settlement (OTS) Write Back	(4,818.51)	0.00
Principal Loan waiver under One Time Settlement (OTS) Write Back	(5,474.12)	0.00
Allowance for Bad and doubtful Debts	(24.54)	11.98
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	3,292.23	4,321.99
Movements in working Capital		
Increase / (Decrease) in Inventories	281.39	2,047.91
Increase / (Decrease) in Trade Receivables	1,327.85	663.52
Decrease / (Increase) in Financial Assets	0.16	147.44
Decrease / (Increase) in Other Non-current Assets	(508.33)	(211.91)
Decrease / (Increase) in Other Current Assets	37.99	(127.33)
Increase / (Decrease) in Trade Payables	1,740.93	999.18
Increase / (Decrease) in Current Liabilities & Provisions	118.50	85.35
CASH GENERATED FROM OPERATIONS	6,290.72	7,926.15
Taxes (Paid)/ Refunds	(3.86)	(1.76)
NET CASH GENERATED FROM OPERATING ACTIVITIES	6,286.86	7,924.39
B.		
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant & Equipment & CWIP	(1,319.02)	(2,091.47)
Sale of Property, Plant & Equipment	1.50	1.34
Sale/ (Purchase) of Investments	(841.11)	253.05
Profit / (Loss) on sell of Investments	(4.24)	0.00
Proceeds from Fixed Deposits with Bank (net)	(54.34)	(145.35)
Interest Received	9.56	11.43
Dividend Received	0.00	23.41
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(2,207.65)	(1,947.59)
C.		
CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Borrowings	(2,397.07)	(4,466.39)
Payment of Lease Liabilities	(47.16)	(20.93)
Finance Cost	(43.67)	(711.33)
NET CASH USED IN FINANCING ACTIVITIES	(2,487.90)	(5,198.65)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	1,591.31	778.15
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	942.96	164.81
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,534.27	942.96
COMPONENT CASH AND CASH EQUIVALENTS		
Cash on Hand	3.96	7.35
Balance with Bank on Current Account	2,530.31	935.61
TOTAL CASH AND CASH EQUIVALENTS	2,534.27	942.96





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.



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(1)	Due to the seasonal nature of the business, the performance of the quarter may not be representative of the annual performance of the Company.
(2)	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. Hence, these financial results have been prepared on a going concern basis, despite accumulated losses resulting in erosion of its entire net worth.
(3)	The Company had entered into a One Time Settlement (OTS) with the Allahabad Bank (now Indian Bank) in December 2019 and has paid the entire OTS amount of Rs 5500.00 Lakhs as per sanction terms. The bank has issued a letter to the Company confirming that there is no outstanding amount towards the OTS as at 31st March, 2021 and accordingly, the Company has given the accounting effect in the books by writing back Rs. 5,474.12 Lakhs on account of principal amount and Rs. 4,818.51 Lakhs on account of accrued Interest, included in Other Income 1(b). Pursuant to the payment of OTS amount, the Company is in the process of complying with the other procedural formalities for release of the Bank's charge on the assets of the Company.
(4)	The Company is in the process of arriving at a settlement with UCO Bank for which the Company has given a proposal for an One Time Settlement (OTS) of its dues. However, the Company has provided interest on accrual basis.
(5)	The Company is continuously monitoring and assessing the situation arising on account of COVID-19 pandemic. The Company has considered both internal and external information available up to the date of approval of these financial results and has assessed the recoverability of the carrying value of its assets as on 31st March, 2021. Based on the assessment, the Company does not anticipate any material impact of the pandemic on these financial results.
(6)	The Uttar Pradesh Electricity Regulatory Commission vide notification dated 25th July, 2019 substantially reduced power purchase rate from 01.04.2019 onwards for bagasse based power plants from Rs. 5.86 per unit to Rs. 3.76 per unit for 2019-20 and from Rs. Rs. 5.86 per unit to Rs. 3.78 per unit for 2020-21. However, the Sugar Industry has filed a writ petition to challenge such reduction in power rates before Hon'ble High Court which is pending. The Company has considered the impact of such rate revision with effect from 1 st April, 2019 onwards and has accounted power sales on such reduced rates.
(7)	The figures for the current quarter and the quarter ended March 31, 2020 are the balancing figures between audited figures of the full financial year ended March 31,2021 and March 31,2020, respectively and published year to date figures up to third quarter ended December 31,2020 and December 31 ,2019 respectively.
(8)	The above results were reviewed by the Audit Committee and were taken on record by the Board of Directors at their meeting held on 30th June, 2021 and audited by Statutory Auditor.
(9)	Previous Period figures have been regrouped / reclassified, wherever necessary to conform to Current Period classification.
	<p>Place: - Mumbai Date:- 30th June, 2021</p> <p style="text-align: center;"></p> <p style="text-align: right;">For KESAR ENTERPRISES LTD  H R KILAHAND Chairman & Managing Director DIN : 00294835</p>