



KESAR ENTERPRISES LIMITED

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CIN : L24116MH1933PLC001996

22nd August, 2025

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

Scrip Code: 507180

Dear Sir,

Sub: Chairman Speech at 90th Annual General Meeting of the Company

Please find attached herewith a copy of the Chairman Speech as delivered at 90th Annual General Meeting of the Company held on Friday, 22nd August, 2025 through Video Conference / Other Audio-Visual Means. The same is also available on the website of the Company.

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

Thanking you,

Yours faithfully,
For Kesar Enterprises Limited

Gaurav Sharma
Company Secretary &
Vice President (Legal & HR)

Encl.: As above.

KESAR ENTERPRISES LIMITED
CHAIRMAN SPEECH (90TH AGM)

Dear Members,

Welcome to the 90th Annual General Meeting of the Company. On behalf of the Board of Directors, I thank you all for taking the time out to join us today.

Company's Operational performance:

Sugar Division

During the season 2024-25, the plant crushed 59.46 lakh quintals of sugarcane as against 94.24 lakh quintals in the previous season. The crushing was lower by 34.78 lakh quintals during the season, as compared to previous season. The reduction in the cane crush is due to lower yield of cane per hectare, as compared to previous years caused by excessive rainfall in early monsoon and also due to diversion of cane to other neighbouring factories on account of delay in clearing cane dues. The overall sugar recovery also has gone down to 9.55% during SS 2024-25, which was 10.81% during previous season 2023-24, which is mainly due to closure of sugar crushing operations in middle of February 2025, as the Company could not enjoy the benefit of peak recovery period which generally is March & middle of April.

During the season, the sugar production was 5.68 lakh quintals, as against 10.18 lakh quintals in the previous season.

Due to the system of adopting cane price payments based on SAP, in the State of UP, the Company has been compelled to pay higher price for cane as compared to the factories that have adopted the FRP based cane price in other states. Further, during the last few years, the cost of production in the State of Uttar Pradesh (UP) was the highest in the country, which has rendered the UP Sugar Industry unviable, cash-starved and uncompetitive. There is an urgent need to rationalize the cane pricing policy in the State of UP and adopt a 'linkage formula' as recommended by the Rangarajan Committee linking sugar cane price to sugar realisation. ISMA and UPSMA have been in discussion on this issue with Central Government.

During the Season 2024-25, Molasses produced was less i.e. 2.99 lakh quintals as against 4.20 lakh quintals in the previous season, due to less crushing.

During the year, there is an increase in the sugar selling price, as compared to the previous year. However, the increase in the sugar realisation is not in line with the increase of SAP announced by the UP State Government. Although the Government had approved an increase in Minimum Selling Price (MSP) for sugar 5 years ago, it did not introduce it.

Spirits Division

During the financial year 2024-25, the Company has not operated its Distillery plant due to the higher realisation from molasses and low realization of RS / SDS / Ethanol.

Power Division

The Plant consumed 1.70 Lakh MT of bagasse and 0.13 Lakh MT of alternate fuel to generate 0.74 Lakh MW power as against 2.44 lakh MT of bagasse and 0.16 lakh MT of alternate fuel to generate 1.17 Lakh MW power in the previous Season. The total power exported to Uttar Pradesh Power Corporation Limited (UPPCL) was 0.49 lakh MW amounting to Rs.17.09 Crores as against 0.76 lakh MW amounting to Rs. 26.50 Crores in the previous Season.



The Uttar Pradesh Electricity Regulatory Commission (UPERC) vide notification dated 25.07.2019 reduced the power purchase rates of bagasse-based power plants with effect from 01.04.2019 from Rs. 5.86 per unit to Rs. 3.46 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 too has filed a Writ Petition in the High court in November 2024, for revising the rates with retrospective effect and allowing the generators to sell power under open access. The rates are under active consideration of UP Government w.e.f. April 2024 and may be announced shortly.

Financial Performance (F.Y. 2024-25):

- For the Financial Year 2024-25, Revenue from operations is Rs. 33,389.97 lakhs against revenue from operations of Rs. 53,105.61 lakhs in the previous year. Reduction in revenue from operations is on account of comparatively less availability of sugarcane, less sugar sale and reduction in sale of the other by-products.
- For the Financial Year 2024-25, there is a loss of Rs. 7262.40 lakhs as against a profit of Rs. 8358.81 lakhs in the previous year. After taking into account the effect of other Comprehensive Income based on Ind-AS norms, there is a loss of Rs. 7308.51 lakhs for the Financial Year 2024-25 as against a profit of Rs. 8768.05 lakhs in the previous year.
- The Company generated EBIDTA of Rs. (3892.47) lakhs as against Rs. 11570.70 lakhs last year.

Outlook for 2025-26:

Sugar Division

The crushing for Season 2025-26 is expected to start in the last week of October 2025 / 1st week of November 2025 depending upon the cane maturity status and other relevant factors.

During the Financial Year 2025-26, the sugar price is expected to be steady due to the expected low level of opening stock of sugar, as well as the possibility of reduced availability of cane. This may result in the Company generating better operational margins gradually. Rainfall is expected to be better and evenly spread, as compared to last year.

Spirits Division

Operation of Distillery is totally dependent on the combined market scenario of molasses selling price and RS / SDS / Ethanol selling price. With the present market price of Rs 1,000 to 1,100 per quintal of molasses along with RS / SDS selling price in the range of Rs 50 or less, operating distillery plant is totally unviable, and the Company will continue to keep the distillery operations shut till the trend improves. The Company will take a call whether to run Distillery or not, based on the market scenario by end of September / October 2025. Ethanol rates are also under consideration of Central Government and Association is also closely following up with Government in this regard.



Power Division

The start date of Cogen Power Plant will be synchronized with the start of the Sugar plant and is most likely to start its operations from the last week of October 2025 and will be operated till the end of sugar crushing season 2025-26.

Acknowledgements:

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

Thank you.

Sd/-
Harsh R Kilachand
Chairman & Managing Director



CAUTIONARY STATEMENT

The above 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