

Speech of Chairman
at the 89th Annual General Meeting of
SIR SHADI LAL ENTERPRISES LIMITED

held on Monday, 25th September, 2023 by Video Conferencing

Ladies and Gentlemen,

I, along with my colleagues on the Board, have great pleasure in welcoming you to the 89th Annual General Meeting of your Company.

The Notice convening this meeting, Report of the Board of Directors and the Audited Annual Accounts of the Company for the year ended 31st March, 2023 have been with you for some time and with your permission, I shall take them as read.

The prosperity of a company is intrinsically tied to its prowess in identifying and harnessing the finest opportunities through innovative means. At SSEL, we pride ourselves on possessing these core competencies, continually reinforcing them through strategic investments and initiatives. Together, we will continue to seize the most promising prospects and channel our innovative potential to drive our organization forward.

AN OVERVIEW OF COMPANY

At present your Company's operations are broadly divided into two business segments i.e. "Sugar" and "Alcohol."

1. The Company registered a total revenue from operation amounting Rs. 552.97 Crore as against Rs. 470.30 Crore last year and incurred net loss of Rs. 30.56 crore as compared to Rs. 15.56 Crore in the previous year.
2. At the overall level notwithstanding adverse Business Situation the Company has been able to deliver reasonable Performance.
3. The Company Ist Quarter Loss for the F.Y. 2023-24 was Rs. 613.05 Lakh as compared to previous year Ist Quarter loss of Rs. 833.03 Lakh
4. In the crushing season 2022-23 The factory crushed 99.83 lac/ quintals of cane at an average recovery of 10.15% producing 10.13 lac / quintals of Sugar in 194 days of working.
5. During the financial year 2022-23, the distillery produced 205.60 lac/ BL of Rectified Spirit (RS) (last year 119.38 lac / BL). During the year 2022-23, fermentation efficiency was 88.85% (last year 89.05), distillation efficiency was 98.03 % (last year 98.57 %). During the year 2022-23 Distillery unit incurred a net loss of Rs. 265.74 lacs (last year profit of Rs. 498.46 lacs).

6. Company had paid all Cane dues of Sugar Season 2021-22 and also paid Rs. 11204.00 Lakh out of cane dues of Rs. 34818.68 of the Sugar season 2022-23 as on 17.09.2023 and we hope that we will pay all its Cane dues soon.

FUTURE PLAN OF ACTION

Distillery Unit

We had expanded the capacity of our Distillery Unit to 100 KLPD and also installed Incineration Boiler. The distillery business is headed in the right direction. India intends to increase the blending of ethanol with automotive fuel from around 10% presently to 20% by 2025. The doubled proportion on a larger consumption base implies that whatever ethanol manufacturers expect to produce will be sold at attractive realizations, accelerating reinvestments. We see this virtuous cycle play out across the future, resulting in a larger ethanol contribution to the bottom line of companies like ours.

Sugar unit

We are working on various options for Sugar Plant Modernization/Debottlenecking, so that we may increase the efficiency of Company in terms of increasing the capacity and saving the steam. The increased ethanol production is now enabling SSEL to completely consume all the molasses that it generates. The Distillery unit is consuming all Molasses produced by Sugar Mill and also buying Molasses from open market to achieve maximum capacity utilization.

Before I conclude, I take this opportunity to convey my sincere thanks and gratitude to my colleagues on the Board and to our Shareholders, Business Associates, Officers, Staff, Workers, Bankers, Financial Institutions and all other Government Departments for their co-operation and support to your company throughout the year.

Thank you once again for your support.